

DEMOCRACY, DICTATORSHIP

AND

DEVELOPMENT

**EUROPEAN UNION PACIFIC
DEVELOPMENT POLICY IN ACTION: A
STUDY OF FIJIAN SOCIETY SINCE
DECEMBER 2006**

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by **David. M. J. Lyttle**

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DEMOCRACY, DICTATORSHIP AND DEVELOPMENT

European Union Pacific Development Policy in Action: A Study of Fijian Society Since December 2006

The question we must ask Fiji today is freedom from what? It is NOT freedom from military government. Today it is freedom from racism. It is freedom from poverty. It is freedom from social inequality. It is freedom from corruption. It is freedom from abuses. THIS IS DEMOCRACY.

Fiji Independent Commission Against
Corruption Interview 2008

An active and capable European Union would make an impact on a global scale... leading to a fairer, safer and more united world.

Javier Solana: The European Security Strategy
2003.

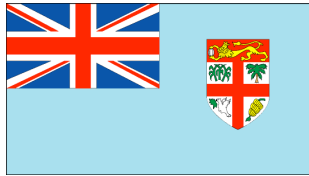


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Abstract

In early December 2006, the Fijian military seized power in a coup led by the Armed Forces commander Commodore Frank Bainimarama. It was a coup long expected, and Fiji's fourth since 1987. Internationally, the response was swift imposing sanctions and removing or delaying international aid programmes. This has a potentially significant impact on Fiji because it is one of the largest per capita recipients of developmental aid funding in the world. However, it may also have little impact because, despite such assistance, the Fijian GDP has stagnated with an average growth of under 1% for the last 20 years. Other developmental indicators are also bleak. This thesis thus examines the dichotomy between Fiji's ODA and its apparent inability to arrest the decline of the Fijian lifestyle and economy. However, to review all international developmental programmes across all sectors of Fijian society, while maintaining contemporary relevance and coherency, is untenable. Therefore, the thesis will focus on the European Union and its external relations with Fiji. The EU is one of the most influential partners for Fiji and is often overlooked by scholars, allowing this thesis to make a valuable contribution to developmental studies in the pacific region. The thesis has selected and examines four sectors of Fijian society, that of the Economy, Governance, Sugar, and Education sectors. This is because they are the sectors that the European Union is presently devoting most attention. Therefore, these areas best illustrate Fijian reaction to the importance and effectiveness of EU involvement. Overall, the thesis intends to demonstrate both the efficacy and the attitudes of local representatives to foreign aid programmes, and ultimately provide a unique 'inside looking out' perspective not typical of publications about Fiji.

Glossary

ACP	=	African, Caribbean, and Pacific Group
ACP SP	=	African, Caribbean and Pacific Sugar Producing Countries
ALTA	=	Agricultural Landlord and Tenant Act
ANU	=	Australia's National University
ANZ	=	Australia and New Zealand (Bank)
CCF	=	Citizens Constitutional Forum (Fiji)
CFSP	=	Common Foreign Security Policy (European Union)
DG Dev	=	Director General: Development (European Commission)
EC	=	European Commission
ECREA	=	Ecumenical Centre for Research & Advocacy (Fiji)
EDF	=	European Development Fund
EPA	=	Economic Partnership Agreement
ESDP	=	European Security and Defence Policy
ESS	=	European Security Strategy
EU	=	European Union
EU Del Pac	=	Delegation of the European Union for the Pacific
EUSAS	=	European Union Sugar Adaptation Strategy (for Fiji)
FASANOC	=	Fiji Association of Sports and National Olympic Committee
FASW	=	Fiji Association of Social Workers
FCAE	=	Fiji College of Advanced Education
FCGA	=	Fiji Cane Growers Association
FEA	=	Fiji Electricity Authority
FEF	=	Fiji Employers Federation
FESP	=	European Union: Fiji Education Sector Program
FFNSA	=	Fiji Forum of Non-State Actors
FICAP	=	Fiji's Independent Commission Against Corruption

FLP	=	Fiji Labour Party
FNPF	=	Fiji National Provident Fund
FNRI	=	Fiji Nutrition Research Institute
FSC	=	Fiji Sugar Corporation
FSMC	=	Fiji Sugar Marketing Company
FTA	=	Free Trade Agreement
(The) FTA	=	Fiji Teachers Association
FTU	=	Fiji Teachers Union
FWRM	=	Fiji Women's Rights Movement
GCC	=	Great Council of Chiefs
GoF	=	Government of Fiji
HDI	=	Human Development Indicators
HDR	=	Human Development Report
IGO	=	Inter-Governmental Organisation
LDC	=	Least Developed Country
MDG	=	Millennium Development Goals
MoE	=	Ministry of Education (Fiji)
MoF	=	Ministry of Finance (Fiji)
MoT	=	Ministry of Tourism (Fiji)
NAO	=	National Authorising Officer
NCWF	=	National Council for Women in Fiji
NFU	=	National Farmers Union
NGO	=	Non-Governmental Organisation
NICE	=	National Initiative on Civic Education
NLTA	=	Native Lands Trust Act
NLTB	=	Native Lands Trust Board
NSA	=	Non-State Actor
ODA	=	Official Development Assistance
OECD	=	Organisation for Economic Cooperation and Development
PACER	=	Pacific Agreement on Closer Economic Relations

PACP	=	Pacific A.C.P. Countries
PFF	=	Pacific Freedom Forum
PICTA	=	Pacific Island Countries Trade Agreement
PIF	=	Pacific Island Forum
PM	=	Prime Minister
PRIDE	=	Pacific Regional Initiatives for the Delivery of Basic Education
PSP	=	Pacific Strategy Paper
SCF	=	Sugar Commission of Fiji
SCGC	=	Sugar Cane Growers Council (Fiji)
SDL	=	Soqosoqo Duavata ni Lewenivanua (United Fiji Party)
SIDI	=	Schools Infrastructure Disadvantage Indices
SIMS	=	Schools Information Management System (MoE)
SLTA	=	Sugarcane Lorry Transport Association
SRIF	=	Sugar Research Institute of Fiji
TFR	=	Tax Free Region
UNDP	=	United Nations Development Programme
UNICEF	=	United Nations Children Fund
UoC	=	University of Canterbury
USP	=	University of the South Pacific
VAT	=	Value Added Tax
WTO	=	World Trade Organisation

1 Introduction

On December 5th 2006, Commodore Josaia Voreqe (Frank) Bainimarama executed a military take-over of the democratically elected government of Fiji.¹ This marks the fourth coup within 19 years for the Pacific Island nation, and forms the immediate basis upon which International Relations, aid, and development policies are conducted towards Fiji.² Fiji is among one of the more developed countries in the South Pacific³ with a GDP of F\$5333 dollars per capita in 2007.⁴ It comprises of 330 Islands and coral atolls that are at the heart of the South Pacific geographically.⁵ With a total land area of 18,330 Sq km, and a census population in 2007 of 837,271,⁶ it is also one of the larger pacific island nations in both size and population.⁷ Fiji's economy relies primarily upon the sugar, garments, and tourism industries with the sugar sector employing almost a fifth of the total labour force.⁸ There are other industries, like fisheries, forestry, and mining that also contribute to the economy, but are presently small and underdeveloped. All these factors make

¹ Nick Squires, "Armed Soldiers Take Control in Fiji Coup," *The Daily Telegraph*, 5 December, 2006.

² Raphael Minder, "Military Seize Power in Fiji Coup," *Financial Times*, 6 December, 2006.

³ When the author refers to the 'South Pacific' he refers for convenience to the 15 Pacific ACP countries as per the Cotonou Agreement. These countries are: Cook Islands, Fiji Islands, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste (East Timor), Tonga, Tuvalu and Vanuatu. He will use the terms 'South Pacific' and 'Pacific ACP' interchangeably

⁴ Fiji Islands Bureau of Statistics, "Gdp Summary,"(2009), http://www.statsfiji.gov.fj/Economic/gdp_summary.htm.

⁵ See Appendix 10.1

⁶ Fiji Islands Bureau of Statistics, "Census 2007," *Key Statistics*(2009), http://www.statsfiji.gov.fj/Census2007/census07_index2.htm.

⁷ European Commission: Directorate-General for Development, "Republic of the Fiji Islands - European Community: Country Strategy Paper and National Indicative Programme for the Period 2003 - 2007," ed. European Commission: Directorate-General for Development (Brussels: European Commission: Directorate-General for Development, 2002).

⁸ European Commission, *Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee: Eu Relations with the Pacific Islands - a Strategy for a Strengthened Partnership* (Brussels: Commission of the European Communities, 2006), ———, *The European Union and the Pacific*, ed. DG Development (Belgium: European Communities, 2007). ———, *The European Union and the Pacific*.

Fiji an ideal regional hub for political intervention in the region and serves as a base for many Non-Governmental Organisations, (NGOs) Intergovernmental Organisations (IGOs), Embassies, and Delegations. As such, political instability here is of significant regional concern and is well documented by the world's media.⁹

Fiji is one of the world's largest per capita recipients of developmental aid receiving roughly €25 per person or €20 million annually.¹⁰ Fiji's main ODA (Official Development Assistance) partners are Australia, New Zealand, and the European Union. Arguably, the European Union is the most significant partner for Fiji because of its influence in trade, particularly, as a market and reform partner for the sugar sector. The EU also coordinates a large developmental grant every five to six years as part of the European Development Fund (EDF).¹¹ However, despite such assistance, the Fijian GDP has stagnated with an average growth of under 1% for the last 20 years. More importantly, according to the UNDP, the quality of life for Fijian citizens has declined significantly in the past 20 years. The Human Development Indicators (HDI) of Fiji have moved from a respectable 44th in 1986 to a concerning 92nd in 2008.¹²

This thesis examines in depth the contemporary situation in Fiji through targeted analysis of four sectors of Fijian society, that of the Economy, Governance, Sugar,

⁹ Alain Retiere and Heinz Schurmann-Zeggel, *Conflict Prevention and Peace Consolidation in the South Pacific: Papua New Guinea, Solomon Islands, Fiji Islands* (Brussels: European Commission Conflict Prevention and Crisis Management Unit, 2002), Satendra Prasad and Darryn Snell, "Fiji: Enabling Civic Capacities for Conflict Prevention and Peacebuilding," in *Searching for Peace in Asia-Pacific: An Overview of Conflict Prevention and Peace Building Activities*, ed. Annelies Heijmans, Nicola Simmonds, and Hans Van de Veen (London: Lynne Rienner, 2004).

¹⁰ European Report, "Nielson to Survey Aid Projects in the Pacific Region," *European Report* 2004.

¹¹ European Commission: Directorate-General for Development, "Republic of the Fiji Islands - European Community: Country Strategy Paper and National Indicative Programme for the Period 2003 - 2007."

¹² Ron Crocombe, *The South Pacific* (Suva: University of the South Pacific, 2001), Prasad and Snell, "Fiji: Enabling Civic Capacities for Conflict Prevention and Peacebuilding." UNDP, *Human Development Report*, ed. United Nations Development Programme (New York: Oxford University Press, 2008). ———, *Human Development Report*, ed. United Nations Development Programme, Annual Human Development Reports (New York: Oxford University Press, 1992 - 2008).

and Education sectors. The thesis will also explore the dichotomy between Fiji's ODA and its apparent inability to arrest the decline of the Fijian lifestyle and economy. To do this, the thesis selects the European Union and examines its influences on the chosen sectors. The thesis will first examine the concepts of democracy, dictatorship and development before creating a theoretical rationale for EU developmental actions. The thesis will then move to the macro level summarising Fiji's turbulent history and the EU's interventions in the country. This will be followed by case studies commencing with an overview of the Fijian economy. Then there is an examination of the governance of Fiji and an assessment of its unique issues. Fijian industry will be looked at through a case study of the sugar sector, which is the industry the EU is presently most involved with. The thesis will then turn to social sector policies, with a detailed examination of the education sector. Through this process, the thesis will illustrate the essential concerns encountered in Fiji today and the influence of the European Union in these four key areas of Fijian society. It will investigate if the international developmental response is appropriate, and truly beneficial to the growth of Fiji. The thesis takes a "hands on, grassroots" approach to research, interviewing many influential members of Fijian society and evaluating the opinions of local publications and media. Overall, the thesis intends to demonstrate both the efficacy and the attitudes of local representatives to foreign aid programmes, and ultimately provide a unique 'inside looking out' perspective not typical of publications about Fiji.

1.1 Literature Review & Methodology

This study explores specific aspects of EU development policy (independent variable) upon the Fijian economy, government, education and sugar sectors (dependent variable). There is a plethora of scholarly information about the evolution of the EU as a global actor, and have a significant focus on development

policy and assistance.¹³ There are also many researchers that focus on the political and developmental issues in Fiji.¹⁴ However, literature that combines the EU development policy with Fiji are scarce. Indeed, it is rare to find articles examining EU policy and its influence in Fiji that has not been officially published by the European Commission. Therefore there is a potential capabilities expectation gap¹⁵ between what the EU is doing, and what is desired by Fijians whose lives are directly affected. The chosen sectors examined are the ones in which the European Union has specific policies, agreements, or programmes in place. Therefore, these areas best illustrate Fijian reaction to the importance and effectiveness of EU involvement.

1.1.1 Primary Research

A number of primary and secondary resources have been used to effect this. The most valuable primary sources used are a series of 36 targeted elite interviews performed in Fiji during the months of June and July 2008. The officials were chosen by their titles, position, organisation and sectors they are professionally involved in. Recorded interviews ranged in length from 21 minutes to 1 hour 15 minutes and were transcribed verbatim.¹⁶ However, because of the sensitive nature of the topic area two people declined to be recorded, and the University of Canterbury Human Ethics guidelines stipulated that all interviewees remain anonymous, represented by an organisational label instead. Through the writing of this thesis, the author thus liberally refers to these as ‘organisation’s opinions’, although he is in fact referring to the interviewees personal opinions which may

¹³ Some significant publications include, Marjorie Lister, ed. *European Union Development Policy* (Houndmills: Macmillan, 1998), Roy H Ginsberg, "The European Union in International Politics: Baptism by Fire," (2001), Charlotte Bretherton and John Vogler, *The European Union as a Global Actor*, 2nd ed. (London: Routledge, 2006), Martin Holland, *The European Union and the Third World*, European Union Series (New York: Palgrave, 2002).

¹⁴ Some of the more prominent are Ron Crocombe, Brij Lal, Biman Prasad, Vijay Naidu, & Greg Watson.

¹⁵ Christopher Hill, "The Capability-Expectations Gap, or Conceptualizing Europe's International Role," *Journal of Common Market Studies* 31, no. 3 (1993).

¹⁶ See Appendix 8.2

differ greatly to that organisations official stance. These interviews were done in a semi-structured style meaning that there was a set of general questions reviewed and accepted by the UoC Ethics committee, used as guidelines and a way to stimulate dialogue. Depending upon the officials responses and sector(s) of expertise, different probes were employed resulting in 36 unique interviews. The semi structured nature of the interviews did allow data to be gathered from some stock questions. These are graphed and shown in the thesis as indicative opinion responses. The statistics derived however, are only representative of the sample of experts who participated in my research, and although many responses are compelling, they can only be used as a very loose guideline to actual public opinion, with the statistical confidence interval sometimes exceeding 16%. The true value of the interviews is derived from the fact that they are experts in their particular fields. Official treaties, publications, speeches, and annual reports, were also essential elements of the primary research for this thesis.

1.1.2 Secondary Research

Academic articles, journals, and books were used to establish a firm historical and theoretical foundation for the thesis, as well as provide some insight to the critiques of official stratagem. Due to the contemporary and evolving nature of the situation in Fiji, there was also liberal use of contemporary media publications. However, since April 2009, there have been restrictions imposed upon the Fijian media and it was subsequently used in a very cautionary way. Material that couldn't be independently verified is stipulated as such or discarded. Although the emphasis is on a contemporary examination of Fijian society, it is apparent that many of Fiji's issues have a long history that must be taken into account. This thesis has a cross disciplinary approach to the sectors examined with relevant material sourced from many fields, including political science, economics, law, psychology, history and sociology. The employment and use of a variety of techniques of data collection, and reviewing such diverse sources ensured greater credibility and relevance of this thesis.

2 Background - Definitions, Theory, and the EU

2.1 Definitions

2.1.1 Defining “Democracy”

Democracy is a word derived from the Greek ‘kratos’ meaning rule, and ‘demos’ meaning people.¹⁷ Thus it is an ideology and a system of government where the people rule. Decisions about governance come from the citizen body as a whole entity and not unilaterally from any single person or group. However democracy is much more than that and holds far more value in modern society. If a state is democratic, it is thought of as a good thing in that it creates freedom, choice, and liberty.¹⁸ Indeed it has such good connotations that virtually all governments today use it to gain favour and legitimacy within the international community. For example China, one of the last bastions of communism boasts in its name that it is the Peoples’ Democratic Republic. From a puritan perspective no word has been more abused than the word democracy.¹⁹

Amongst scholars, there is a consensus that democracy implies a government that is selected by the people to respond to the people’s desires, and where no one person can gain unlimited powers.²⁰ A democracy functions under the principles of

¹⁷ Bernard Crick, *Democracy: A Very Short Introduction* (New York: Oxford University Press, 2002).

¹⁸ Ibid.

¹⁹ Stephanie Lawson, *Tradition Versus Democracy in the South Pacific* (Melbourne: Cambridge University Press, 1996).

²⁰ David Held, *Models of Democracy*, 2 ed. (Cambridge: Polity Press, 1996), Crick, *Democracy: A Very Short Introduction*, Peter Larmour, ed. *Governance and Reform in the South South Pacific* (Canberra: Australia National University Press, 1998), Lawson, *Tradition Versus Democracy in the South Pacific*, Holiday Powell, "The Road to Sovereignty in the Pacific: A Framework for Pacific Island Development Policy," (Centre for Strategic Studies New Zealand, Victoria University, Wellington, 2003).

transparency, accountability, and participation.²¹ From these are derived many democratic norms, such as free and frequent elections that provide the voter with effective choice and ignore all heredity and class distinctions. Accountability suggests that the voted parliament has the right to create legislation and uphold it, but must also abide by it. This usually means there needs to be a separation of judicial and legislative powers so each can scrutinise the others actions.²² A democracy becomes threatened when the principles of transparency, accountability, and participation are not upheld. Democracies tend to be more peaceful, and a peaceful society is generally happier with greater economic development.²³ However, this connection is not the case in some countries in the South Pacific, including Fiji.²⁴ Democracy is also far from perfect. Plato described it as “the rule of the mob where opinion overrides wisdom.”²⁵

2.1.2 Defining “Dictatorship”

Dictatorship can be classically defined as when a single person has absolute control over the state. As Louis XIV is attributed to say “*L’État, c’est moi.*”²⁶ Consequently, the leader of a dictatorship is an irreplaceable part of the government. Without him, the government would lose its *raison d’être*.²⁷ Whereas democracy represents the wishes of the population at large, dictatorship represents the preferences of a subgroup of the population, such as the elite, the military, or the

²¹ Peter Harris and Benjamin Reilly, eds., *Democracy and Deep-Rooted Conflict: Options for Negotiators* (Stockholm: IDEA, 1998), Crick, *Democracy: A Very Short Introduction*, Daron Acemoglu and James A Robinson, *Economic Origins of Dictatorship and Democracy* (Cambridge: Cambridge University Press, 2006). Adrian Leftwich, ed. *Democracy and Development: Theory and Practice* (Cambridge: Polity Press, 1996).

²² Harris and Reilly, eds., *Democracy and Deep-Rooted Conflict: Options for Negotiators*.

²³ Held, *Models of Democracy*, Harris and Reilly, eds., *Democracy and Deep-Rooted Conflict: Options for Negotiators*.

²⁴ Lawson, *Tradition Versus Democracy in the South Pacific*, Larmour, ed. *Governance and Reform in the South South Pacific*.

²⁵ Plato and Reginald Allen, "Plato: The Republic," Book VIII (2006).

²⁶ Claude Lefort, *The Political Forms of Modern Society: Bureaucracy, Democracy, Totalitarianism* (Cambridge: Polity Press, 1986).

²⁷ Hannah Arendt, *The Origins of Totalitarianism* (New York: Meridian Books, 1958).

dictator solely.²⁸ Propaganda is one of the more important instruments of a dictatorship when dealing with its own citizens and the democratic world.²⁹ Leaders in power feel a need to make their propaganda, predictions and statements come true.³⁰ Another important consideration for a dictatorship is to ensure no group is unhappy enough to seize power. Therefore abolishing social divisions and creating contentment is essential.³¹ Contrary to democracy, dictatorship is often considered to have pejorative connotations.³² For example, one scholar claims it is the gullibility of sympathizers that make dictator's lies credible to the outside world, and creates recognition and respectability.³³ However, dictatorships and other forms of non-democratic governance has been the norm for most of human history.³⁴ Indeed, Plato describes the most favourable form of government as the benevolent dictator, well versed in philosophy and war, and who has love, compassion and honour.³⁵ Up until the 1970s non-democratic forms of government in the world were more common than democratic ones.³⁶ The army is often a classic instrument of rule and in modern times is the most common instigator of a dictatorship.³⁷ Many countries have experienced military coups in the past 10 years like Fiji including Ecuador, Venezuela, Pakistan, and Thailand.³⁸

²⁸ Acemoglu and Robinson, *Economic Origins of Dictatorship and Democracy*.

²⁹ Arendt, *The Origins of Totalitarianism*.

³⁰ Ibid.

³¹ Acemoglu and Robinson, *Economic Origins of Dictatorship and Democracy*. Lefort, *The Political Forms of Modern Society: Bureaucracy, Democracy, Totalitarianism*.

³² Acemoglu and Robinson, *Economic Origins of Dictatorship and Democracy*.

³³ Arendt, *The Origins of Totalitarianism*.

³⁴ Paul Brooker, *Non-Democratic Regimes* (New York: Palgrave Macmillan, 2009).

³⁵ Plato and Allen, "Plato: The Republic."

³⁶ Brooker, *Non-Democratic Regimes*. Gordon Tullock, *The Social Dilemma of Autocracy, Revolution, Coup D'etat, and War*, ed. Charles K Rowley, *The Selected Works of Gordon Tullock* (Indianapolis: Liberty Fund, 2005).

³⁷ Brooker, *Non-Democratic Regimes*.

³⁸ Ibid. Acemoglu and Robinson, *Economic Origins of Dictatorship and Democracy*.

2.1.3 Defining “Development”

Development is a word that means many different things, and has both positive and negative connotations depending upon individual opinion. Development can be seen as destroying tradition, forcing unwanted change to society, while others think of it as something that should be actively sought.³⁹ Traditionally, development was defined and assessed economically. The monies given by a donor country should therefore raise the recipients GDP by a corresponding amount.⁴⁰ However to depersonalize development like this negates the prime goal of most development programmes, which is to help enhance the quality of life of a particular community. With a better quality of life, greater freedoms are obtained for people to forge their own destinies.⁴¹ Equality of opportunity is often paired with the need for political and civil liberties, and therefore favours a democratic political structure over a dictatorial one.⁴² Higher incomes are not the only goal but merely one of several means to achieve that end.⁴³ Therefore, for the purposes of this thesis, development is assumed to be a good ideological objective, and follows the UNDP definition.

Development is a process of enlarging people’s choices [to allow people to] lead a long and healthy life, to be educated and enjoy a decent standard of living. If these essential choices are not available, many other opportunities remain inaccessible.⁴⁴

Modern theories of development has evolved from Amartya Sen’s significant work in welfare economics on the expansion of capabilities.⁴⁵ Sen considers development

³⁹ Damien Kingsbury et al., *International Development: Issues and Challenges* (Houndmills: Palgrave Macmillan, 2008).

⁴⁰ E. K. Hawkins, *The Principles of Developmental Aid*, Penguin Modern Economics (Harmondsworth: Penguin, 1970).

⁴¹ Amartya Sen, *Development as Freedom* (New York: Knopf, 1999).

⁴² Kingsbury et al., *International Development: Issues and Challenges*.

⁴³ Ibid.

⁴⁴ UNDP, *Human Development Report*, ed. United Nations Development Programme (New York: Oxford University Press, 1990).

⁴⁵ Kingsbury et al., *International Development: Issues and Challenges*. John M. Alexander, *Capabilities and Social Justice: The Political Philosophy of Amartya Sen and Martha Nussbaum* (Aldershot: Ashgate, 2008).

as a way to achieve freedom of the individual through opportunity creation.⁴⁶ However, development must also aim to meet the needs for the present community without compromising the ability of future generations to meet their own needs.⁴⁷ As such development must be sustainable, and has certain social and physical limits. Development is multi-dimensional; achievement of broad goals above can be done in many ways and it is necessary for development to be flexible, because the needs of each community and each individual in that community are different.⁴⁸

2.2 Developmental Aid: In Theory and Practice

Having a sound theoretical base that can be applied to real world situations is of crucial importance to understanding why institutions act in a particular way, and to have an analytical tool with which one can judge the effectiveness of the end result. For aid development programmes and effectiveness, there are a lot of international conferences and declarations. For example, the OECD organised Paris Declaration made 56 partnership commitments aimed at improving the effectiveness of aid.⁴⁹ However, there is a clear lack of transference from this rhetoric into action that creates obvious beneficial results.⁵⁰ Aid cannot be a “welfare payment without strings.” It needs to be tied to real economic targets and good governance. There are claims that the more liberal the donor is, the more corrupt the recipient becomes.⁵¹

⁴⁶ Sen, *Development as Freedom*.

⁴⁷ World Commission on Environment and Development, *Our Common Future* (Oxford: Oxford University Press, 1987).

⁴⁸ Kingsbury et al., *International Development: Issues and Challenges*.

⁴⁹ United Nations, "United Nations Millennium Declaration ", ed. United Nations General Assembly (New York: United Nations, 2000). Joint Progress Toward Enhanced Aid Effectiveness, "Paris Declaration on Aid Effectiveness," In *Ownership, Harmonisation, Alignment, Results, and Mutual Accountability*. (Paris: Joint Progress Toward Enhanced Aid Effectiveness, 2005).

⁵⁰ Stefano Manservigi, "We Need Action Not Words," *The Courier*, June - July 2008.

⁵¹ Martin Robinson, "Foreign Aid Curse of Pacific," *New Zealand Herald*, 7 March, 2006.

2.2.1 *Developmental Aid Delivery*

The ultimate goal of developmental aid had changed little over the years. The desire to improve the quality of life for the individual and the community is quite universal.⁵² However, the method of delivery to achieve this goal has gone through many changes and scholarly critique.⁵³ A traditional conception of development, which it is directly linked per capita GDP, has fallen out of favour because over the past 30 years GDP growth has neither led to a corresponding decrease in poverty, nor helped to increase overall quality of life.⁵⁴ Amartya Sen was very critical of this relationship, it does not matter how wealthy one is comparatively, but how capable they are of achieving their desires.⁵⁵ The requirements to achieve that potential are physical, emotional, as well as financial. Development has thus moved to an idea of fulfilling basic human needs with consideration given to projects that focus on basic health, education, and income.⁵⁶ Nevertheless, delivery of these projects still cause concern. It was demonstrated by Easterly that agencies like the UNDP stipulate that international developmental aid works and is one of the most effective weapons against poverty. Yet at the same time the UNDP complains that the international system is too complicated and inefficient to deliver that aid effectively.⁵⁷ All major agencies in the world are now engaged in an exercise to achieve the Millennium Development Goals after one of the more remarkable UN declarations in recent history.⁵⁸ Nine years after the declaration, an official report shows that it is unlikely that any of the goals will be fully achieved by 2015, and indeed, since the global

⁵² Leftwich, ed. *Democracy and Development: Theory and Practice*.

⁵³ Kingsbury et al., *International Development: Issues and Challenges*.

⁵⁴ Margaret Snyder, "Transforming Development: Women, Poverty, and Politics," (1995).

⁵⁵ Sen, *Development as Freedom*.

⁵⁶ Kingsbury et al., *International Development: Issues and Challenges*.

⁵⁷ William Easterly, ed. *Reinventing Foreign Aid* (Cambridge: MIT Press, 2008).

⁵⁸ Ibid.

economic crisis, goals are more distant now in 2009 than they were in 2007.⁵⁹ The utopian expectations of what developmental aid should deliver lies in stark contrast to what it is delivering.⁶⁰

Democracy and development are frequently paired as universal goals for the international community.⁶¹ A question asked by some scholars therefore is if democracy is a prerequisite of development or vice versa. Classical theory following Lipset, suggest that democratic development is dependent upon a combination of economic, social and cultural requisites, which are unlikely to exist in an underdeveloped country. Consequently, progressive development is a requisite for sustainable democracy⁶² and there appears to be a “cruel choice between *laissez-faire* liberalism without social justice, on the one hand and dictatorial forms of state centred economic development, on the other.”⁶³ More recent scholars, following Sen’s work, illustrate that democracy creates freedoms and liberties which in turn helps facilitate development.⁶⁴ Moreover if individual freedom though building of capacity is the desired objective, then promotion of democracy becomes one of the most important aspects of development. A World Bank report in 2000 confirms a positive correlation between stable democratic governance and aid effectiveness.⁶⁵ However, this is disputed by recent publications.⁶⁶

⁵⁹ United Nations, *The Millenium Development Goals Report* (New York: United Nations, 2009).

⁶⁰ Easterly, ed. *Reinventing Foreign Aid*.

⁶¹ Leftwich, ed. *Democracy and Development: Theory and Practice*.

⁶² Ibid. Seymour M. Lipset, *Political Man: The Social Bases of Politics* (New York: Doubleday, 1960).

⁶³ Leftwich, ed. *Democracy and Development: Theory and Practice*.

⁶⁴ Ibid, Kingsbury et al., *International Development: Issues and Challenges*.

⁶⁵ C. L. Gilbert and David Vines, eds., *The World Bank: Structure and Policies* (Cambridge: Cambridge University Press, 2000).

⁶⁶ Easterly, ed. *Reinventing Foreign Aid*.

2.2.2 *Is ODA Good for Fiji?*

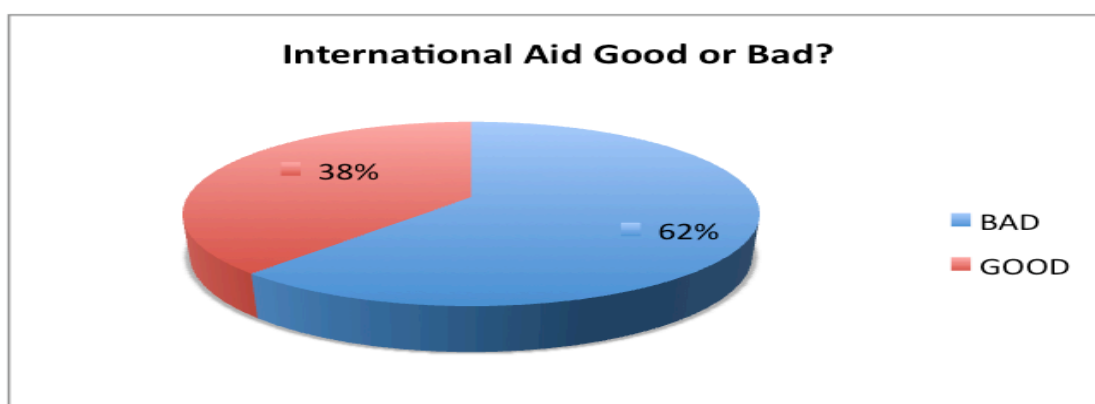


Figure 1: Is International Aid Good or Bad for Fiji? (Indicative Opinion)

A large majority of the Fijians interviewed believed that international aid in general was bad for Fiji. Too few outside organisations offering aid and support to Fiji really spent time in Fiji listening to general public views.⁶⁷ Instead, consultants come in with prearranged agendas and goals, and only talked with those that will reinforce their opinions and help facilitate pre-determined goals. “We have way too many of these ‘fly by night’ consultants, who state whatever they think. All of them are in fairyland!”⁶⁸ The intention of international aid is desirous, it is the connection to practical solutions that is problematic.

2.2.3 *Conditionalities of Aid*

An unsolved academic argument that is very relevant to Fiji, is the conditionalities placed upon aid, especially in terms of its direct link towards ‘good governance’. Official Developmental Assistance is largely humanitarian in nature, supplying base physiological needs, or building infrastructure to help create opportunities. Therefore such ties have no relevance, and place unnecessary burdens on the

⁶⁷ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview" (FTA Headquarters, Suva, 24 June, 2008).

⁶⁸ FASW Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview" (Suva, 24 June, 2008).

recipient country. If looked at from a strictly humanitarian perspective, tying aid to democracy and then applying sanctions due to lack of democratic progress, defeats the purpose and intention of the aid. The people the aid agencies are trying to assist are being adversely affected due to circumstances beyond their control.⁶⁹ One interviewee stated that on principle, aid should not be conditional on the type of government because aid will generally be targeted at a community level, and administered by sub-governmental structures.⁷⁰ Fiji is a safe and friendly country compared to many in the world. For the vast majority of people, life continues under the coup regime as it did before, without any impediment upon human rights.⁷¹ It is arguable that the EU, Australia, and New Zealand are demonstrating double standards by applying democratic principles and conditionalities only when politically expedient, and without any true moral basis.⁷² Alternatively, international partners are trying to impose their values upon Fiji. Indeed, one commentator called conditional aid a legacy of colonialism.⁷³ Furthermore, “democracy works better in a country where everybody has enough food on the table”⁷⁴ and adequate housing. If the basic physiological needs of a population cannot be met, then arguments over democratic identity and belonging become meaningless, according to traditional psychological thought as demonstrated by Maslow’s ‘Hierarchy of Needs’.⁷⁵ However, it is accepted that the donors will have a specific agenda and have to be responsible to their own constituents who wish to know that aid is being allocated wisely. Nevertheless if conditionalities are coercive and dictate significant structural

⁶⁹ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview" (Lautoka, 2 July, 2008).

⁷⁰ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁷¹ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview" (Lautoka, 2 July, 2008).

⁷² Ibid.

⁷³ USP Governance School, "Fiji Interview 8 - Governance Sector Interview" (Suva, 23 June, 2008).

⁷⁴ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

⁷⁵ A. H. Maslow, "A Theory in Human Motivation," *Psychological Review* 50(1943).

change, then it is more likely to be counter-productive, and create issues that need patience and time to resolve.⁷⁶

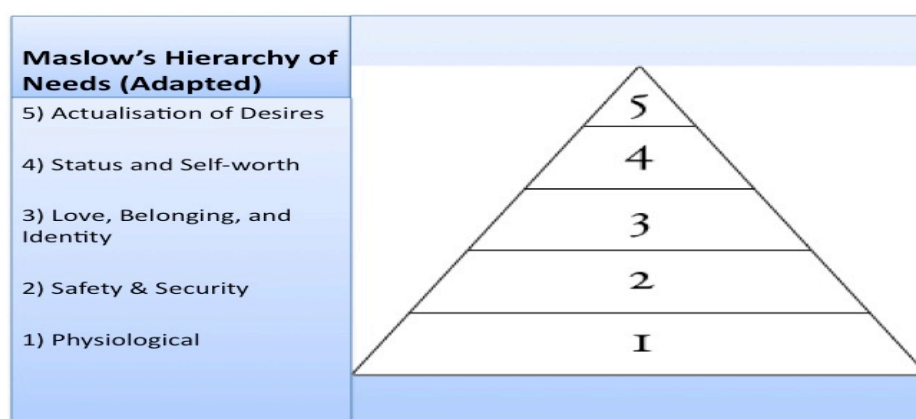


Figure 2: An adapted version of Maslow's Hierarchy of Needs

The contrary argument is that the type of government in the recipient country is very relevant when it comes to receiving aid, because developmental aid requires accountability and transparency from governments, to ensure the aid will be delivered properly. Accordingly, aid and democracy are difficult to separate. Conditional aid ensures that it reaches the right places and is given in line with the donor's principles. Aid by definition is money that the recipient doesn't need to pay back. Therefore, the only obligation is the moral one of meeting conditions.⁷⁷ Most aid especially in the case of Fiji is not directed at based on the physiological needs of the community, but instead is about building the capacity and status of certain sectors. As such, democratic and identity work becomes a prerequisite according to the Maslow's Hierarchy. Donors have a right to place conditionalities to ensure structural change that will make the aid more effective, and ensure it reaches the

⁷⁶ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁷⁷ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview" (FTA Headquarters, Suva, 27 June, 2008).

targeted recipient.⁷⁸ If aid is considered a commercial transaction, then the donor has every right to put whatever conditions they feel are necessary to ensure that the investment is worthwhile and the taxpayers know that the aid is effectively creating positive change for the larger society.⁷⁹ Indeed it has been claimed that principles and values so vital to a society, that conditions place upon aid must be there to encourage moral and structural change.⁸⁰ Indeed, moral and structural changes are one of the rationales for a country to implement an aid programme. The empirical goal of aid to help a particular sector is only of equal value to the qualitative goals of changing people's perceptions and values.

EU opinion follows this conceptual framework, inserting concepts of good governance, transparency, accountability and human rights into aid programmes since the 1990's.⁸¹ The type of government is always relevant when it comes to developmental aid. Aid and trade are never agreements done on a micro scale looking at a particular product or village. Instead, the agreements form the basis of a community of values which need to be shared by both donor and recipient. In effect, the EU "will not be able to continue having a developmental partner who systematically disregards the fundamental values that the EU has found for its own member states officially. This is critical."⁸² To this end EU Delegation for the Pacific (EU Del Pac) continues to supervise, evaluate, and meet with authorities regularly.⁸³ Wherever possible the EU attempts a cooperative rather than a punitive approach.⁸⁴ Infrastructure and other developmental projects are only as effective as

⁷⁸ (NCWF) National Council for Women in Fiji, "Fiji Interview 5 - Ngo Sector Interview" (Suva, 18 June, 2008).

⁷⁹ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁸⁰ Ministry of Tourism: Fiji, "Fiji Interview 1 - Tourism Sector Interview" (Suva, 17 June, 2008).

⁸¹ Holland, *The European Union and the Third World*. p121

⁸² Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview" (EU Delegation Offices, Suva, 26 June, 2008).

⁸³ Ibid.

⁸⁴ Holland, *The European Union and the Third World*.

the governance system that operates it. Ranking aid above governance or vice versa, will not be as effective as a holistic approach examining both concurrently.⁸⁵ Overall the interview results are quite profoundly and in favour of the EU argument agreeing to the necessity of conditional aid. Indeed a massive 69% voted for conditionalities, agreeing that not only does the EU have every right to place conditions on its ODA, but they are crucial to building a more cooperative, open and transparent Fiji. Statistically, Fiji and other developing countries are better off with aid coming in conditions attached, if the alternative was receiving no aid at all.⁸⁶ It is also generally accepted that the donors have genuine intentions and are trying to do what they think is in the best interests of the people. But rarely do they truly appreciate the situation on the ground, and what is actually needed.⁸⁷

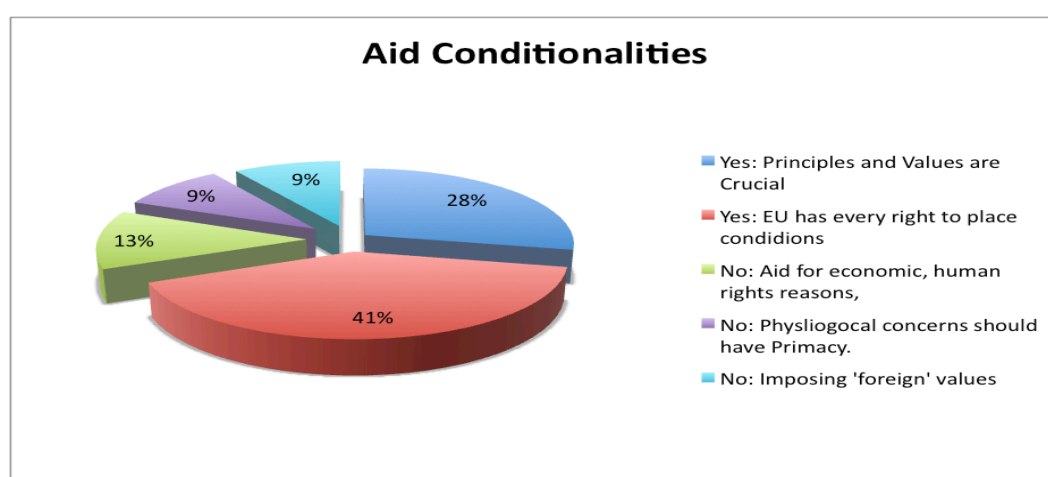


Figure 3: Do you believe that the EU should place conditionalities upon its humanitarian aid for Fiji? (Indicative Opinion)

⁸⁵ USP Governance School, "Fiji Interview 8 - Governance Sector Interview".

⁸⁶ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview" (Charity House, Suva, 26 June, 2008).

⁸⁷ Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview".

2.2.4 *Aid Dependency Theory*

Aid is designed to be a partnership between the donor and recipient with specific objectives and conditions. A potential threat for any recipient country is for it to become aid dependent. This is where a donor focuses on a particular area so successfully, that the government absolves itself from its own responsibilities. Therefore, if the donor stops targeted aid, and has no means to replace it, then the result is a potentially worse situation than before donor intervention.⁸⁸ The donor generally needs to work with the recipient government to ensure that mutually acceptable programmes are put in place.⁸⁹ Island nations receive nine times more aid than other developing nations in the world. However, often instead of assisting these nations, a dependency syndrome occurs often with attendant inflated bureaucracies.⁹⁰ An editorial article in the NZ Herald was particularly harsh against the use of foreign aid in the Pacific.

The global aid industry is wrecking small South Pacific island nations, exacerbating dangerous economic and social divisions, feather-bedding aristocratic non-performing elites, and creating a situation of permanent aid dependency, endemic corruption and economic stagnation and decline.⁹¹

However, it has been counterclaimed that Fiji could probably dispense with aid altogether, and aside from the subsidisation of sugar, receives very little as a proportion of the GDP.⁹² Indeed, in 2005 Fiji received a total of about F\$127.5 million in aid out of a total GDP of F\$4.212 Billion Dollars.⁹³ As such, aid

⁸⁸ USP Governance School, "Fiji Interview 8 - Governance Sector Interview".

⁸⁹ Ibid.

⁹⁰ Crocombe, *The South Pacific*.

⁹¹ Robinson, "Foreign Aid Curse of Pacific."

⁹² USP Governance School, "Fiji Interview 8 - Governance Sector Interview".

⁹³ Fiji Islands Bureau of Statistics, "Gdp Summary." Wolfram Alpha, "Aid Fiji V Gdp Fiji," (2009), <http://www.wolframalpha.com/input/?i=Aid+Fiji+v+GDP+Fiji>.

dependency is not a problem, although infrastructure and other needs will take longer and be of a different standard.

2.3 *EU Origins*

After World War Two, Europe was politically and economically exhausted. The citizens of Europe became willing to try a radical new idea of building a zone of peace through institutional integration, and the voluntary pooling of sovereignty.⁹⁴ The EU was established to fulfil those dreams and bring peace and security to a continent plagued by war. Jean Monet considered one of the founding fathers of the EU said in 1952, "To build Europe is to build peace. Our nations today must learn to live together under common rules and institutions freely arrived at."⁹⁵ Though cliché, it is evident that the EU has had unprecedented success in this goal of preventing war amongst its member states for over 50 years.⁹⁶ Today, the EU's flag has become an icon of unity to both European's and people abroad divided by war, politics, and ideologies.⁹⁷ However, the EU was initially formed as a limited economic community, and only gradually and recently evolved into a political, social, and security entity.⁹⁸ The EU's economic prosperity nevertheless remains a cornerstone of EU success and this relies upon its ability to ensure and "facilitate the trans-national flow of goods, people, information, money and commodities".⁹⁹ The Treaty of the European Union in 1991 enabled the EU to become a more powerful external actor, and created a foreign development policy based upon the consolidation of democracy, rule of law, respect for human rights and fundamental

⁹⁴ Javier Solana, "Speech by Javier Solana: Eu High Representative for the Cfsp," in *Man of the Year Award 2005: Gazeta Wyborcza* (Warsaw: European Commission, 2005).

⁹⁵ European Commission, *The European Union and the Pacific*.

⁹⁶ Benita Ferrero-Waldner, "The Eu's Role in Protecting Europe's Security," in *Protecting Europe: Policies for enhancing security in the European Union* (Brussels: European Commission, 2006).

⁹⁷ Colin Espiner, "Europe - the World's Next Superpower," *The Press*, 7 June, 2006.

⁹⁸ Frederic Charillon, "The Eu as a Security Regime," *European Foreign Affairs Review* 10(2005).

⁹⁹ Ferrero-Waldner, "The Eu's Role in Protecting Europe's Security."

freedoms.¹⁰⁰ Some would argue that this might be the “hour of Europe”¹⁰¹ and that the EU has become the most important international actor in the world because it is the largest economic entity as well as the largest aid donor. The EU today is a union of 27 states composed of 495 million people, and collectively produced almost a third of the world’s gross national product in 2007.¹⁰² However because foreign policy is traditionally associated with nation states, and the EU is an association of many states, thinking of the EU as an independent international actor is often overlooked.¹⁰³ Nevertheless, the EU has created an economic and security complex whereby the member states issues and concerns are so interlinked with their neighbours, that problems cannot be analysed and resolved independently.¹⁰⁴ No other international association or organisation plays a similar role to the EU. Indeed, the EU has evolved into a hybrid of supranational and international forms transcending traditional state based theories established since the Treaty of Westphalia in 1648.¹⁰⁵

2.3.1 *EU as a Normative Power*

It is apparent that the EU is a new type of international actor and represents a different type of power in international politics.¹⁰⁶ Initially, scholars favoured

¹⁰⁰ Articles 6, & 11 European Union, "The Treaty of the European Union," *Official Journal of the European Union* C 191, no. 29 July 1992 (1992).

¹⁰¹ Charillon, "The Eu as a Security Regime."

¹⁰² Central Intelligence Agency, "The World Factbook," (2009), <https://www.cia.gov/library/publications/the-world-factbook/>.

¹⁰³ Ginsberg, "The European Union in International Politics: Baptism by Fire."

¹⁰⁴ B. Buzan, O. Waever, and J. Wilde, *Security: A New Framework for Analysis* (London: Lynne Rienner Publishers, 1998).

¹⁰⁵ T King, "Human Rights in European Foreign Policy: Success or Failure for Post-Modern Diplomacy?," *European Journal of International Law* 19, no. 2 (1999).

¹⁰⁶ Yannis A. Stivachtis, "The Eu as an International Actor: 'Civilian', 'Normative' or 'Military' Power," in *The State of European Integration*, ed. Yannis A. Stivachtis (Aldershot: Ashgate, 2007).

calling the European Union a civilian power or 'soft' power.¹⁰⁷ This is contrasted with EU traditional conceptions of power originating from 'hard' military powers. The civilian power relies upon negotiation and persuasion in international affairs and backs the dealings up with economic influence. Realist thinkers like Bull in the 1980s,¹⁰⁸ and Kagan more recently in 2004,¹⁰⁹ dispute this concept. They believe that the EU still derives its influence from member states hard powers and a security blanket provided by the United States. However, instead of defending the theory of soft power Europe, the EU acknowledges that it needs to build capacity in hard power areas. In 1993 with the Treaty of the European Union, a Common Foreign Security Policy (CFSP) came into existence, followed by a more elaborate European Security Defence Policy (ESDP) in 2003, and a European Security Strategy (ESS). Hard Power capacity was solidified the establishment of a rapid response forces and since 2003, the EU has been involved in 18 foreign deployments.¹¹⁰ However, the EU rationalises its increasing military capacity on the basis of becoming an effective value driven global actor.¹¹¹

Manners in 2002 wrote a seminal work suggesting that the EU should be examined following a new concept of normative power.¹¹² Normative power does not rely on economic incentives or military force, but the force of the ideals themselves.¹¹³ It

¹⁰⁷ Charillon, "The Eu as a Security Regime.", Maurizio Carbone, "Normative Power and Political Dialogue: The European Union in the South Pacific," *Asia-Pacific Journal of EU Studies* 4, no. 1 (2006), Hill, "The Capability-Expectations Gap, or Conceptualizing Europe's International Role."

¹⁰⁸ Headley Bull, "Civilian Power Europe: A Contradiction in Terms?," *Journal of Common Market Studies* 21, no. 2 (1982).

¹⁰⁹ R. Kagan, *Of Paradise and Power: America and Europe in the New World Order*, 2 ed. (New York: Vintage Books, 2004).

¹¹⁰ Slovenian Presidency of the EU, "Esdp Operations," (2008), http://www.eu2008.si/en/Policy_Areas/General_Affairs_and_External_Relations/ESDP/ESDP_Operations.html.

¹¹¹ Javier Solana, "Speech by Javier Solana: Man of the Year Award," (2005), http://ue.eu.int/ueDocs/cms_Data/docs/pressdata/EN/discours/84823.pdf.

¹¹² Ian Manners, "Normative Power Europe: A Contradiction in Terms?," *Journal of Common Market Studies* 40, no. 2 (2002).

¹¹³ Carbone, "Normative Power and Political Dialogue: The European Union in the South Pacific." Manners, "Normative Power Europe: A Contradiction in Terms?."

creates a fundamental moral building block upon which all aspects of the EU can be tied. The EU achieves desired goals because other countries admire the EU's values and want to emulate its example to achieve the same level of liberty and prosperity.¹¹⁴ Manners suggests that the fundamental principles of the European Union are peace, liberty, democracy, rule of law, and human rights.¹¹⁵ He also suggests four additional 'minor' norms of social solidarity, anti-discrimination, sustainable development, and good governance.¹¹⁶ It has been suggested that the EU promotes these norms because they are accepted by a majority of people and thus have universal value and that the EU will ultimately gain benefit from this unified world.¹¹⁷ Normative power doesn't supersede civilian and military powers which are still relevant concepts. Instead, it has been suggested that normative values are complementary and can utilise the capacity of soft or hard powers to help achieve a global normative ideal.¹¹⁸

2.4 EU Aid and Development Policy

2.4.1 EU Aid and Development Policy Background

Thinking of the EU as a normative power when it comes to development policy means that not only does the EU wish to change the norms of the international system to its own ideological foundations, but the EU will naturally extend its norms into the international system because of international institution "isomorphism".¹¹⁹ This is because conflict occurs when there is structural and

¹¹⁴ Carbone, "Normative Power and Political Dialogue: The European Union in the South Pacific."

¹¹⁵ Manners, "Normative Power Europe: A Contradiction in Terms?."

¹¹⁶ Ibid.

¹¹⁷ Carbone, "Normative Power and Political Dialogue: The European Union in the South Pacific."

¹¹⁸ Stivachtis, "The Eu as an International Actor: 'Civilian', 'Normative' or 'Military' Power."

¹¹⁹ Ian Manners, "Normative Power Reconsidered," in *CIDEL Workshop: From civilian to military power the EU at a crossroads?* (Oslo: CIDEL, 2004), Carbone, "Normative Power and Political Dialogue: The European Union in the South Pacific."

ideological differences between societies.¹²⁰ The EU encourages international institutions that promote its normative principles, and have similar normative goals while working to prevent structures and institutions that seek to destabilise these principles. EU's external relations are thus based upon human rights objectives, such as reducing and eventually eradicating poverty. In doing this, it is attempting to "create conditions in which the poor are able to raise their incomes and to live longer, healthier, and more productive lives".¹²¹ The EC stated in a Pacific regional paper that ACP-EU development cooperation ought to be achieved through integrated strategies that incorporate economic, social, environmental, and institutional elements.¹²² The ESS also highlights the need for development by stipulating that there is increasing need for the EU to concern itself with the wider problems of more distant and foreign countries that require understanding and communication.¹²³

The EU provides around 60% of global aid if one adds both the member states and EU official programmes together. The EU Commission spends a sum of €6.8 billion annually, and is thus the largest single aid donor in the world.¹²⁴ Furthermore, the EU is often the largest trading partner for many EU-ACP countries and collectively is the largest single market for global imports and exports.¹²⁵ The EU understands the power and influence of trade in addressing developmental concerns.¹²⁶ Development abilities are traditionally the EU's forte because of its origins as an economic union and purely civilian infrastructure. Stefano Manservigi, the Director General for Development of the European Commission (DG Dev) emphasised that

¹²⁰ Manners, "Normative Power Reconsidered."

¹²¹ European Commission, *The European Union and the Pacific*.

¹²² Ibid.

¹²³ Javier Solana, "A Secure Europe in a Better World: European Security Strategy," (European Council, 2003).

¹²⁴ European Commission, *The European Union and the Pacific*.

¹²⁵ Ibid.

¹²⁶ Ibid.

aid effectiveness is the key to development.¹²⁷ To this end the DG Dev proposes four methods to help with this:

1. Predictability of aid that donors should adopt multi-annual long-term programs with guaranteed multi-year financial commitments.
2. Adapt the aid to use the recipient bureaucratic systems countries making sure contributions tie in with budget cycles.
3. Having a result based approach with aid programmes geared towards concrete measureable outcomes.
4. Ensure a division of labour between donors in a country, each one working towards their strengths rather than doubling up and wasting money on similar projects.¹²⁸

2.4.2 *Yaoundé & Lomé Conventions*

For over 40 years the EU has helped shape the fortunes of the ACP countries, firstly under the Yaoundé and Lomé conventions, and more recently with the Cotonou agreement. Yaoundé was first signed in 1964 and was designed to be a negotiated asymmetric trade agreement between Europe's former colonies and the community. It also established a funding scheme called the European Development Fund (EDF) which made it an attractive convention that was renewed in 1969.¹²⁹ In 1975 the Lomé Convention was signed as a significant update of Yaoundé. Lomé was designed to be more complementary to the greater independent voice of developing countries. Lomé was a more mature, comprehensive, agreement than Yaoundé entrenching a singular framework for organising EU development policy. Lomé

¹²⁷ Manservigi, "We Need Action Not Words."

¹²⁸ Ibid.

¹²⁹ Christopher Piening, *Global Europe: The European Union in World Affairs* (Boulder: Lynne Rienner, 1997).

provided a consolidated system of unconditional aid, and non-reciprocal trade, which allowed these ACP countries significant economic advantages.¹³⁰ The Lomé Convention was considered a hallmark of EU policy to the developing world, but ultimately failed to meet needs and expectations.¹³¹ It managed to increase trade volumes between the EU and ACP countries but the value of the preferences comparatively diminished as regional EU trade increased.¹³² Overall, only a limited number of ACP countries managed to improve their levels of development.¹³³

2.4.3 *Cotonou to Present Day*

The Cotonou Agreement is a treaty signed between the European Union and 79 developing ACP countries in June 2000, and came into force in 2003. This treaty builds upon the principles of Lomé, but also breaks away from it in some key areas.¹³⁴ The most sweeping changes were in the area of trade cooperation to enhance trade liberalisation and bring EU relations with the ACP countries in line with WTO principles.¹³⁵ The agreement provided a fresh basis for all aid and development activities between the European Union and Fiji, who is one of the signatory countries. Incidentally, the Cotonou conference, where this landmark treaty was signed was to have taken place in Suva, and be called the Suva Agreement. However, this was moved to Cotonou after the 2000 George Speight Coup.¹³⁶ Article One of the Cotonou Agreement stipulated at length that the EU shall foster development cooperation to ensure:

¹³⁰ Bretherton and Vogler, *The European Union as a Global Actor*.

¹³¹ Holland, *The European Union and the Third World*.

¹³² Bretherton and Vogler, *The European Union as a Global Actor*.

¹³³ Carbone, "Normative Power and Political Dialogue: The European Union in the South Pacific."

¹³⁴ Ibid.

¹³⁵ Ibid.

¹³⁶ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview". Holland, *The European Union and the Third World*.

1. Sustainable economic and social development.
2. Smooth and gradual integration of the country into the world economy,
3. Campaign against poverty.¹³⁷

The Cotonou Agreement “is an innovative framework for a deeper partnership with a view to facilitating economic development and addressing – together – the major challenges of poverty, conflict and war, environmental degradation and risks of economic and technological marginalisation”.¹³⁸ In effect Cotonou strengthens the political dimensions of cooperation allowing greater dialogue and aid conditionalities.¹³⁹ The Cotonou agreement is based on five pillars:

1. Reinforcement of the political dimension.
2. Involvement by the private sector and NGOs into civil society.
3. Poverty Reduction.
4. A framework for trade and cooperation.
5. Rationalisation and streamlining of aid instruments.

A constant theme to all aid the EU’s gives is in enhancing the regional framework of states until they have a proven capacity to deliver.¹⁴⁰ The Cotonou Agreement also lays the foundations for reciprocal free trade agreements to be concluded between the EU and ACP countries called Economic Partnership Agreements in

¹³⁷ European Commission: Directorate-General for Development, "Republic of the Fiji Islands - European Community: Country Strategy Paper and National Indicative Programme for the Period 2003 - 2007."

¹³⁸ European Commission, *The Pacific and the European Union* (Belgium: European Commission, 2002).

¹³⁹ C. Santiso, "Responding to Democratic Decay and Crises of Governance: The European Union and the Convention of Cotonou," *Democratization* 10, no. 3 (2003).

¹⁴⁰ European Commission, *The European Union and the Pacific*.

Articles 34 to 37.¹⁴¹ The Cotonou agreement can be viewed as a treaty that is designed, at least in part, to promote and codify EU normative values.¹⁴²

2.5 Review: EU Pacific Development Policy

The history of EU ACP collaboration in the Pacific comes from its colonial possessions of the 1950s. The tradition lives on, but is very much an apolitical partnership that emphasised development objectives over foreign policy objectives.¹⁴³ The EU is also very interested in the Pacific because of the environmental focus that the EU is adopting worldwide, which makes the “Pacific take centre stage.”¹⁴⁴ The Delegation for the European Union for the Pacific (EU Del Pac) receives its funding from two main sources; the EU budget directly, and the European Development Fund (EDF).¹⁴⁵ Both have a focus on developmental policy and staffing at EU Del Pac reflect this to carry out its functions.¹⁴⁶

In 2006 the European Union launched a Pacific Strategy Paper (PSP) that set the foundations for a re-examination of Pacific ACP relations. The strategy involves a plan for stronger political links and funding of around €500 million over the next 6 years.¹⁴⁷ The Strategy Paper could be seen purely as compensation for a recent WTO ruling stating that the preferential market access given to such countries is illegal.¹⁴⁸ Nevertheless, the strategy paper is a landmark in EU-Pacific Relations as

¹⁴¹ ———, “Partnership Agreement between the Members of the African, Caribbean and Pacific Group of States of the One Part, and the European Community and Its Member States, of the Other Part, Signed in Cotonou, on 23 June 2000. (Cotonou Agreement),” ed. European Commission: Directorate-General for Development (Cotonou: European Commission: Directorate-General for Development, 2001).

¹⁴² Carbone, “Normative Power and Political Dialogue: The European Union in the South Pacific.”

¹⁴³ Delegation of the European Union for the Pacific, “Fiji Interview 17 - Governance Sector Interview”.

¹⁴⁴ Ibid.

¹⁴⁵ Ibid.

¹⁴⁶ Ibid.

¹⁴⁷ Annina Kaltenbrunner, “European Union Promises Increased Political Ties and Funding for Pacific Countries,” *Global Insight Daily Analysis* 2006.

¹⁴⁸ Ibid.

it is the first formal regional strategy paper in over 30 years of EU-Pacific relations. The Commissioner for Development and Humanitarian Aid, Louis Michel said that the strategy paper will strengthen political dialogue, focus development cooperation, and help to reduce poverty, in a region threatened by climate change and weak governance.¹⁴⁹ The Strategy is the culmination of the development of the EU's normative philosophy applied in a practical way to a specific region.

The PSP makes three main proposals. Firstly, it aims to build stronger political relations on issues of common concern, particularly physical security, trade, and the environment. It will also concurrently aim to promote more efficient, accountable governmental systems and reduce corruption. Secondly, it aims to focus development cooperation on economic, social, and environmental concerns where the "EU has a comparative advantage and a good track record".¹⁵⁰ Finally it aims to promote more efficient delivery of aid by working with other governmental partners like Australia and New Zealand and Non-governmental actors, to ensure that the aid has an effect at the grassroots level.¹⁵¹ The PSP appreciates the need for policy coherence between different departments within the EU and coherence between different actors on the international stage, including NGOs, will make a more decisive and effective impact upon any issue of concern.¹⁵²

The comprehensive, structural, regional, and normative approach marks a divergence in EU from other parties like Australia and New Zealand since 2006.¹⁵³ However, one NSA was concerned about the emphasis the EU places upon

¹⁴⁹ EC Delegation to NZ, "European Commission Proposes Strategy to Strengthen Partnership with the Pacific Islands," European Union: Delegation of the European Commission to New Zealand, <http://www.delaus.cec.eu.int/newzealand>.

¹⁵⁰ European Commission, *Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee: Eu Relations with the Pacific Islands - a Strategy for a Strengthened Partnership*.

¹⁵¹ Ibid.

¹⁵² Ibid.

¹⁵³ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

methodology. It thus questions the percentage of funding designated for developmental projects, that actually reaches the intended recipients.¹⁵⁴ One incentive of the 2006 Strategy Paper is its promotion of regionalism as a necessary long term step to ensure the survival of pacific island countries. This is considered an excellent move by some locals.¹⁵⁵ There is also some support for eventually establishing a common pacific dollar currency which would help stimulate the economy. Some criticise the possible loss of sovereignty and fiscal control which makes this an ambitious dream that will not happen in the foreseeable future.¹⁵⁶

2.5.1 *Fiji Specific Actions: From Lomé to Cotonou*

From 1975 to 2002, Fiji was allocated €230 million in development funds.¹⁵⁷ The Lomé convention saw the direct subsidy of Fiji sugar exports with the EU Sugar Protocols paying almost three times the world market price.¹⁵⁸ Lomé created a form of funding called the European Development Fund (EDF). This is a multi-annual funding strategy that focuses on particular sectors of society that the recipient has requested help with. The EU then looks at the sector, examines where it has advantages over other donors, and ensures it does not duplicate the work of another agency.¹⁵⁹ It then implements a strategy, either bilaterally or in conjunction with other donors and NSAs. Every 5 years a new EDF is established and the consultations begin afresh. In June 2000, the EU suspended most of its non-humanitarian assistance until it received commitments for a road map back to

¹⁵⁴ Transparency International, "Fiji Interview 3 - Ngo Sector Interview" (Suva, 18 June, 2008).

¹⁵⁵ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview". Blue Lagoon Cruises, "Fiji Interview 35 - Tourism Sector Interview" (Lautoka, 4 July, 2008), Pacific Island Forum Secretariat, "Fiji Interview 24 - Governance Sector Interview" (Suva, 27 June, 2008).

¹⁵⁶ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

¹⁵⁷ European Commission, *The European Union and the Pacific*.

¹⁵⁸ J. E. Davies, "Ethnic Competition and the Forging of the Nation-State of Fiji," *The Round Table* 94, no. 378 (2005).

¹⁵⁹ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

constitutionality from the Qarase-led interim government.¹⁶⁰ Although this was Fiji's third coup, it was the first after the establishment of the Common Foreign Security Policy from the Treaty of the European Union. Through these actions, the EU displayed a strong commitment to linking development assistance to good governance conditionalities, in particular democratic freedoms and choice.¹⁶¹

The 8th EDF from 1997 to 2002 was focussed on developing human resources and the environment. It allocated €25.5 million in aid but some implementation was delayed due to the 2000 coup and eventually Fiji received a reduced allocation of €17.85 million. Many infrastructural improvements occurred including a sewage works and the building of bridges at Sigatoka, Ba and Rewa.¹⁶² It also allocated a significant amount of funding to the upgrading of the Lautoka Teacher's College. Other grants were used towards small projects in trade, tourism, and the environment.¹⁶³ Laisenia Qarase stated that EU assistance since Fijian independence has made a significant impact on virtually all aspects of Fijian life and economy. The EU is not alone in giving aid to Fiji, and is thus able to work with several other aid partners in Fiji to maximise the efficiency and quality of aid delivery.

2.5.2 9th European Development Fund

The 9th EDF was signed towards the end of 2002 for the years 2003 to 2007.¹⁶⁴ A strong desire by the Fijian government was to get help facilitating infrastructure development in rural primary schools. There was hope that this work in conjunction with the curriculum work being headed by AusAID, would allow Fiji to advance

¹⁶⁰ Prasad and Snell, "Fiji: Enabling Civic Capacities for Conflict Prevention and Peacebuilding."

¹⁶¹ Ibid.

¹⁶² Fiji Times, "Longest Bridge Will Open on Time in Two Weeks: Eu," *Fiji Times*, July 29, 2006 2006.

¹⁶³ Laisenia Qarase, "Pm's Remarks at the Ground Breaking Ceremony for the New Rewa Bridge," (Suva: Fiji Government Online, 2004).

¹⁶⁴ European Commission: Directorate-General for Development, "Republic of the Fiji Islands - European Community: Country Strategy Paper and National Indicative Programme for the Period 2003 - 2007."

and achieve goal two of the Millennium Development Goals (MDG).¹⁶⁵ The MDGs are eight international development goals that the 192 UN member states and 23 international organisations, including the European Union, agreed to strive to achieve by 2015.¹⁶⁶ The rural education work was agreeable to the EU, because it is one of the few donors that do infrastructure work. Also the EU reinforced its desire to help achieve the MDGs in Pacific ACP countries with the 2006 Strategy Paper. This core work forms the base of the 9th EDF and the Fiji Education Sector Programme (FESP) was created to implement the project with a budget of €17.3 Million out of a total EDF allocation for Fiji of €21 Million.¹⁶⁷

2.5.3 10th European Development Fund

The 10th EDF has a global allocation of €22 Billion of which €30.24 Million was to be granted to Fiji.¹⁶⁸ The authority in Fiji that the EU negotiates with for these major grants is called the National Authorising Officer (NAO). This is a senior person in the Ministry of Finance (MoF). Since the 2006 coup there has been no NAO as the new nominated person from the military government was not acceptable to the EU. This has stalled talks for the 10th EDF, and is making donor coordination in other areas more difficult.¹⁶⁹

Draft proposals for the 10th EDF indicate that it will move largely away from the Education Sector on the bilateral scene, although the EU will still continue its investment in some multilateral projects like PRIDE.¹⁷⁰ Preliminary discussions for

¹⁶⁵ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview". United Nations, "United Nations Millennium Declaration".

¹⁶⁶ United Nations, "United Nations Millennium Declaration".

¹⁶⁷ European Commission: Directorate-General for Development, "Republic of the Fiji Islands - European Community: Country Strategy Paper and National Indicative Programme for the Period 2003 - 2007."

¹⁶⁸ Ashwini Prasad, "Sugar Plan Almost Finalised," *Fiji Times*, 4 September 2006, 2006.

¹⁶⁹ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

¹⁷⁰ See EDUCATION Chapter

the 10th EDF have centred around water and sanitation.¹⁷¹ There is a significant lack of infrastructure especially with regard to fresh water supply in Fiji, which is ironic given its tropical location and high annual rainfall. Water tanks for rain water storage are virtually non-existent, and this makes basic living conditions particularly difficult in times of floods and droughts. Furthermore, there is no mains water supply for many villages, and in cities, if it does exist, there are significant maintenance issues. Suva has a logistical water supply problem with present infrastructure and pipes struggling to supply five times the population it was designed to meet.¹⁷²

2.5.4 *Fijians Awareness of EU Policy*

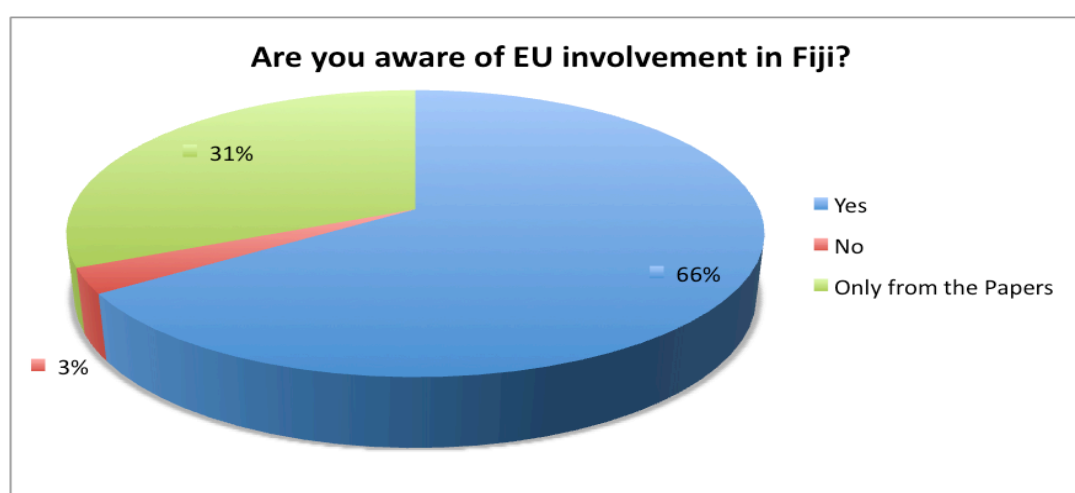


Figure 4: Are you aware of EU involvement in Fiji? (Indicative Opinion)

Indicative results show that Fijians knowledge of European Union involvement is excellent. Two thirds of respondents had a clear knowledge of EU operations, particularly in their field of work, and offered plenty of comments and criticisms. An additional 31% knew of the EU and its involvement from media publications,

¹⁷¹ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

¹⁷² Ibid.

showing a massive 97% of interviewees having some knowledge about the European Union in Fiji. However, even amongst these experts, the specific details of other programmes and the knowledge of how to access certain types of aid appears minimal.¹⁷³ Also, the impact particular programmes have on the wider community is information that is particularly difficult to access for both the public and academics. This is shown by the question asking where the EU is proving most helpful to Fijians today. 21% said that did not know. A concern for the EU is that another 16% were very critical of the EU suggesting that it is not helping in any area of Fiji at present. Reasons highlighted were the recent EPA negotiations,¹⁷⁴ the EU's bureaucratic nature, and suspicion over the EU's real intentions in being involved in Fiji.

An example of this concern are 'Fly by Night' international researchers, who collect specific data they need for a project and then write up the research without establishing true relevance and context.¹⁷⁵ In many cases, decisions are made upon the theoretical analysis by such people as opposed to active consultations with the directly affected community leaders.¹⁷⁶ Additionally, once a project is started, there are concerns regarding the transference of knowledge during the delivery of the aid programme. The EU is known to spend a lot of time on methodology and processes when it establishes a project. However, when they leave it to the locals to run the project, they do not properly train these people or explain to them a rationale for the methodology and processes.¹⁷⁷ Such actions leave a knowledge and capability gap, and can potentially minimise the positive long-term effect of a project, increasing

¹⁷³ Transparency International, "Fiji Interview 3 - Ngo Sector Interview". USP Governance School, "Fiji Interview 8 - Governance Sector Interview".

¹⁷⁴ See Economy Chapter

¹⁷⁵ Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

¹⁷⁶ Ibid.

¹⁷⁷ Ibid.

the dependence on the donor.¹⁷⁸ A new EU information point at the Suva Public Library was established in mid 2009 which could ameliorate these problems.¹⁷⁹

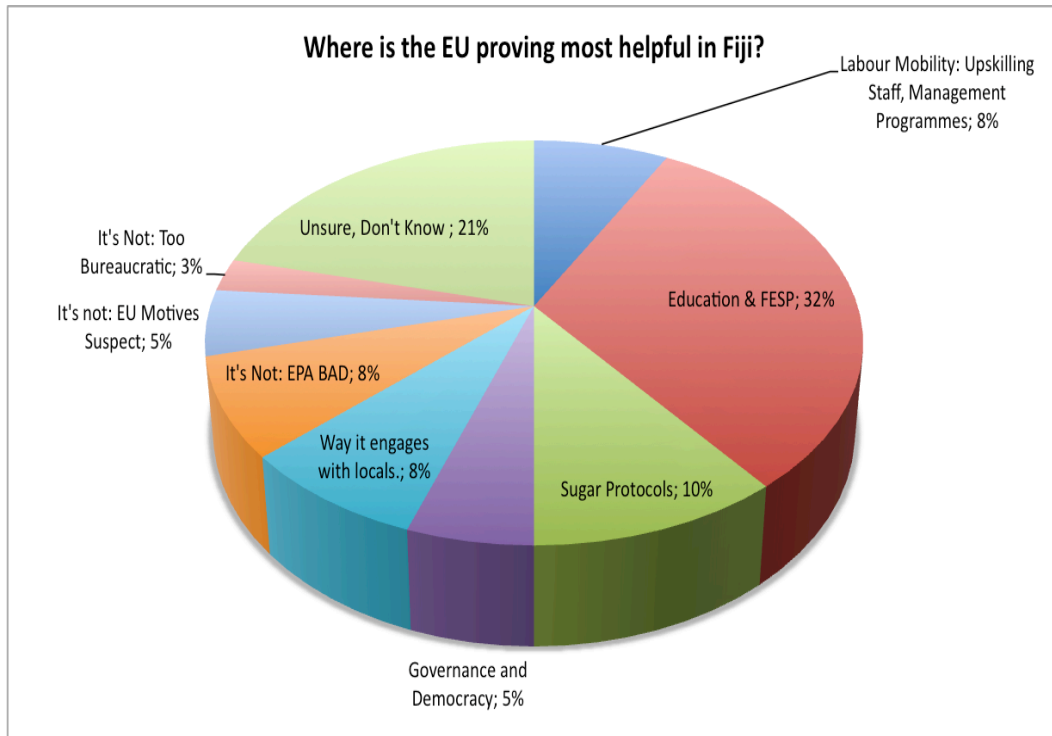


Figure 5: Where is the EU proving most helpful in Fiji?(Indicative Opinion)

¹⁷⁸ Ibid.

¹⁷⁹ Setareki Naviri, "New Info Point," *Fiji Daily Post*, 18 June, 2009.

3 Fiji - History

3.1 *Fiji: A History of Coups*

There has always been a thin veneer of stability in Fiji that splits open whenever the pressures are too much.¹⁸⁰ The root causes of the coups are “deep seated perceptions about unequal access to development benefits.”¹⁸¹ This is something that has always existed since the first days of colonial rule, and has never been properly addressed by any government. Rather it has been ignored, or worse, exploited for political advantage.¹⁸² Furthermore, the politicians and system are still not mature enough for people to consider and choose a more conciliatory, collaborative, and rational path. A justification for the military coups could follow the arguments of J.S. Mills that economic and security issues must be solved, before equality and liberty can be addressed.¹⁸³ In the past 25 years there has been 10 years of political Dictatorship in Fiji and 15 of Democracy.

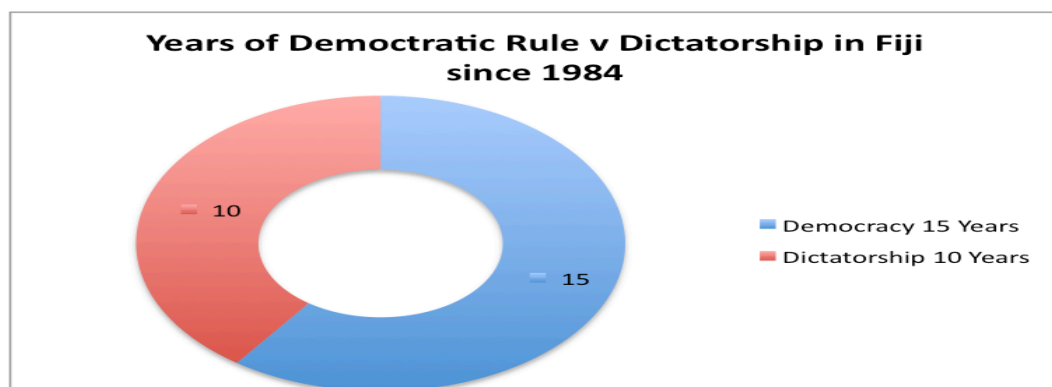


Figure 6: Past 25 Years of Fiji Political History (1984-2009). Proportion of Years Fiji has experienced of democracy and dictatorship

¹⁸⁰ Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

¹⁸¹ Ibid.

¹⁸² Ibid.

¹⁸³ From Held, *Models of Democracy*.

3.1.1 *Origins to Independence*

Fiji became a colony of Britain in October 1874. In many ways British rule was benevolent, choosing to rule indirectly through the already established local hierarchy of chiefs.¹⁸⁴ Large scale cultivation of sugar cane was introduced to create an economy in Fiji, but to work these plots of land, the British imported indentured labourers from India. This system was designed to exploit the riches of Fiji while protecting the indigenous population and their lifestyles.¹⁸⁵ Most of these labourers, once their indenture ended, chose to remain in Fiji, and in 1920 there was an edict to break up the sugar estates into 10 acre blocks to be leased and worked by newly independent farmers. This system remains in operation today.¹⁸⁶ At the time of its independence in 1970, Fiji was a divided and inequitable society. Indigenous Fijians owned over 80% of Fiji's land, yet were disadvantaged in the educational and commercial sectors in which Indo-Fijian and European communities performed better.¹⁸⁷

3.1.2 *Independence to 2006*

In 1987, the Indian dominated Fiji Labour Party (FLP) won the general election, which confirmed the worst fears of many Fijians with ethno-nationalist tendencies. They were losing their country to the Indian settler community. The ethnic Fijian-dominated military were quickly convinced to stage a coup lead by Colonel Sitiveni Rabuka.¹⁸⁸ The economy plummeted after 1987 with a mass exodus of the best and brightest of the Fiji-Indian community, and the indigenous Fijian was faced with the

¹⁸⁴ Davies, "Ethnic Competition and the Forging of the Nation-State of Fiji."

¹⁸⁵ Prasad and Snell, "Fiji: Enabling Civic Capacities for Conflict Prevention and Peacebuilding."

¹⁸⁶ Davies, "Ethnic Competition and the Forging of the Nation-State of Fiji."

¹⁸⁷ Prasad and Snell, "Fiji: Enabling Civic Capacities for Conflict Prevention and Peacebuilding."

¹⁸⁸ Davies, "Ethnic Competition and the Forging of the Nation-State of Fiji." John Henderson and Greg Watson, eds., *Securing a Peaceful Pacific* (Christchurch: Canterbury University Press, 2005).

prospect of entering the marketplace with neither business knowledge nor applicable resources.¹⁸⁹ Rabuka authorised a new constitution in 1990 aimed at ensuring Fijian dominance of the government.¹⁹⁰ By 1997, the coup ten years earlier had become a source of embarrassment to many Fijians, causing them to realise that the communities must cooperate to create a prosperous future. Now an elder statesman of Fiji, Rabuka passed a new constitution removing many racist elements in the 1990 constitution, and drastically changed the ethnic divisions of parliament.¹⁹¹ The 1997 constitution also enacted a very complex proportional electoral system. The first election under the new constitution in 1999 was won by the Fiji Labour Party (FLP) and that gave Fiji its first Indian prime minister Mahendra Chaudhry.

The victory was short lived and on the May 19, 2000, a failed businessman named George Speight seized parliament with an armed gang. Fijians all over the country reacted by hijacking the coup to vent their own concerns and anger.¹⁹² Frank Bainimarama the Head of the Fiji military played a critical role to resolve the 2000 coup and negotiate the release the hostages. These actions further blurred the separation of the military to affairs of state, creating circumstances when military intervention is justified.¹⁹³ The 2000 coup also showed how a small minority of activists can have a disproportionate and undemocratic influence on the affairs of the country.

¹⁸⁹ Davies, "Ethnic Competition and the Forging of the Nation-State of Fiji."

¹⁹⁰ Prasad and Snell, "Fiji: Enabling Civic Capacities for Conflict Prevention and Peacebuilding."

¹⁹¹ Ibid. Henderson and Watson, eds., *Securing a Peaceful Pacific*.

¹⁹² Davies, "Ethnic Competition and the Forging of the Nation-State of Fiji.", Prasad and Snell, "Fiji: Enabling Civic Capacities for Conflict Prevention and Peacebuilding."

¹⁹³ Hindustan Times, "This Time, a Fiji Coup That Is Not against Indians,"(2006), [Dow Jones Factiva](#).

3.1.1 2006 to Present

On 5 December 2006, the hero of the 2000 coup Frank Bainimarama initiated his own coup. The immediate catalyst for this move was a dispute between him and the elected SDL government over two pieces of legislation. The first was the proposed 'Qoloqoli Bill' which would transfer rights of the coastal waters from the government to indigenous Fijians.¹⁹⁴ Land rights that would prove to be very "lucrative"¹⁹⁵ to the indigenous population at the cost of international investors, tourists, and the Indian population. The second piece of legislation was to forgive the perpetrators of the 2000 coup and even allow them positions in government. In essence the 2006 coup was a revision of the 2000 coup involving the same politicians in the same power struggle.¹⁹⁶ Indeed, Mahendra Chaudhry, the PM elected in 1999 was named the interim Minister of Finance.

Bainimarama has more idealistic goals. He wishes to remove racism from the politics of Fiji altogether.¹⁹⁷ Bainimarama also claims to want to clean up the corruption of the former democratic government.¹⁹⁸ Ultimately he hoped that his coup would be the 'coup to end all coups'.¹⁹⁹ One of the more significant political moves of Bainimarama's regime was to introduce the 'Peoples Charter', a quasi constitutional document aimed at addressing the deficiencies of the 1997 Constitution. Bowing to international pressure, he also promised elections by March 2009 instead of his original intent for elections in 2010.²⁰⁰

¹⁹⁴ Ibid.

¹⁹⁵ Ray Lilley, "Fiji Sugar Industry Says It Faces Collapse If the Eu Cancels Aid Package.," *Associated Press Newswires*, 13 December, 2006.

¹⁹⁶ Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

¹⁹⁷ Fiji Daily Post, "Lay Off Bainimarama, He's Doing It for Fiji", *News Feature* 2009.

¹⁹⁸ Lilley, "Fiji Sugar Industry Says It Faces Collapse If the Eu Cancels Aid Package.."

¹⁹⁹ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

²⁰⁰ Ibid.

In June 2008, Frank Bainimarama backtracked on promises made to the EU, the Pacific Island Forum, and the Fijian public to hold elections by March 2009, by stipulating that a new electoral system needed to be introduced like the one proposed by the 'Peoples Charter'.²⁰¹ However, because of internal opposition and other pressures, even dates in 2010 were increasingly unrealistic, unless held within the confines of the 1997 constitution. This option was unacceptable to the military regime and strongly opposed by the Fiji Electoral Commission.²⁰²

Internal dissent against the regime and international pressures reached critical levels in April 2009. Already the FLP had bowed to constituents pressures and resigned their positions in the interim regime. The Supreme Court of Fiji, in a landmark decision ruled the regime illegal and ordered the regime to remove itself from power.²⁰³ The following day the President of Fiji Ratu Josefa Iloilo, a stoic supporter of Bainimarama, abrogated the 1997 Constitution, temporarily fired all the Judges in the land, instigated martial law, and reinstated Bainimarama with even more dictatorial powers.²⁰⁴ Importantly, it cleared the way for Bainimarama to write a new constitution based upon the 'Peoples Charter'.²⁰⁵ With such drastic steps "Fiji has taken a decisive step towards being a dictatorship."²⁰⁶ This crisis situation was predicted by the electoral commission, as being the way that the Bainimarama regime would have to proceed if opposition remained strong. Bainimarama defended this drastic step by reiterating the apparent need to get rid of racism in the

²⁰¹ The Age, "Eu Wants Fiji to Hold Elections in 2009," *The Age*, April 20, 2008.

²⁰² Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

²⁰³ Randall Powell JA, Ian Lloyd JA, and Francis Douglas JA, *Quarase Vs Bainimarama*, (Court of Appeal, Fiji Islands, 2009).

²⁰⁴ Ratu Josefa Iloilovatu Uluivuda, "Address to the Nation," *Government House*, 10 April, 2009.

²⁰⁵ Josaia Voreqe Bainimarama, "Address to the Nation of Fiji Following the Appointment of Cabinet," *Prime Ministers Office, Government House*, 11 April 2009.

²⁰⁶ Zoe Murphy, "Coup Leader Keeps Iron Grip on Fiji," *BBC News*(2009), <http://news.bbc.co.uk/go/pt/ft/-/2/hi/asia-pacific/8035317.stm>.

country.²⁰⁷ The Fiji Human Rights commission has voiced its support for the President's abrogation of the Constitution. It was said there was no other option due to a governance vacuum and potential anarchy caused by the court decision.²⁰⁸

The drastic move of abrogating the constitution was widely condemned by the international community. The Australian Foreign Minister, Steven Smith, said that this creates a belief that Fiji has no intention of returning to democracy.²⁰⁹ NZ Prime Minister John Key, said that he believed the situation was tragic.²¹⁰ On May 1, 2009, Fiji was formally suspended from the Pacific Islands Forum with a declaration that, "a regime which displays such a total disregard for basic human rights, democracy and freedom has no place in the PIF."²¹¹ The international governmental response, although quite universally negative towards Fiji's most recent actions, is not shared by members of the academic community. Professor Hugh Laracy from the University of Auckland, for example, stated that Bainimarama is an idealist and has the "best interests of Fiji at heart".²¹²

On the 1st of July 2009, Bainimarama released his keynote speech outlining a new 'roadmap' towards democratic general elections in September 2014, confirming that the military regime intends to rule for another 5 years.²¹³ According to the new timeline, the Fijian Government for the next 3 years, will focus on wide ranging economic reform initiatives that are "pro-growth and pro-poor."²¹⁴ These include

²⁰⁷ Stuff.co.nz, "Fiji Formally Ousted from the Pacific Islands Forum,"(2009), <http://www.stuff.co.nz/world/south-pacific/2380019/Fiji-formally-ousted-from-Pacific-Islands-Forum>.

²⁰⁸ Lice Movono Rova, "Eu Supports Unicef with €250,000 for Fiji Flood Rehabilitation," ed. Media Relations (Suva: Delegation for the European Commission for the Pacific, 2009).

²⁰⁹ Stuff.co.nz, "Fiji Formally Ousted from the Pacific Islands Forum."

²¹⁰ NZPA, "NZ 'Would Consider Sending Troops to Fiji'," *Stuff.co.nz*(2009), <http://www.stuff.co.nz/national/politics/2346503/NZ-would-consider-sending-troops-to-Fiji>.

²¹¹ Stuff.co.nz, "Fiji Formally Ousted from the Pacific Islands Forum."

²¹² Fiji Daily Post, "'Lay Off Bainimarama, He's Doing It for Fiji'."

²¹³ Josaia Voreqe Bainimarama, "A Strategic Framework for Change" (Suva, July 1, 2009).

²¹⁴ Ibid.

encouraging investor confidence, more public-private partnerships with financial institutions, closure of non-performing government entities, and outsourcing where possible to the private sector. He also stated intentions to perform major road works, and wide ranging land reforms.²¹⁵ With the economy stable and growing, he then intends to implement work on a new constitution based upon the already published Peoples Charter no later than September 2012. The new Constitution will be enshrined into law no later than September 2013, which will allow a year of consolidation and people to get accustomed to the changes before general elections in September 2014.²¹⁶

Bainimarama also made it clear that he wants to reach out and engage with the international community and development partners and not remain isolated.²¹⁷ However, Australia, New Zealand, & the EU were all quick to condemn the new plan expressing concern yet again about the very long time frame before promised elections.²¹⁸ Neighbouring Pacific Island countries were also concerned, with Samoa's Prime Minister Tuila'epa Sa'ilele stating that democracy must be a precondition for any international engagement and help.²¹⁹ The PM for the Cook Islands stipulates that the time frame is just too long. Bainimarama is now publically declaring that he will do nothing to help progress and restore a democratic system in Fiji for 3 years.²²⁰ The *Charge d'Affaire* for European Commission in New Zealand George Cunningham, appreciates that Fiji wants to re-

²¹⁵ Ibid.

²¹⁶ Ibid.

²¹⁷ Ibid.

²¹⁸ Sean Dorney, "More Regional Reaction Not Good for Fiji Leader," *ABC News*, (2009), <http://www.radioaustralia.net.au/pacbeat/stories/200907/s2615667.htm>.

²¹⁹ Ibid.

²²⁰ Ibid.

engage in dialogue, but with the announcement and confirmation of such a delay, it will be create difficulties for re-engagement.²²¹

3.1.2 *Fiji History of Coups Conclusion*

The history of the coups illustrate a significant ongoing constitutional crisis. Fiji needs to establish a formula that is satisfactory to all Fijians and influential stakeholders. There were underlying pertinent reasons for the coups, although many were very self serving.²²² Eyewitness accounts attest to a noticeable stagnation of the economy through the cycle of coups, and as a result, there are many less opportunities in Fiji than there were in the 1980s.²²³ Change is needed and it must come from within Fiji. International agencies can help but they cannot create a society and a sense of belonging.

3.2 *Fiji's Contemporary Strengths and Challenges*

3.2.1 *Fiji's Assets*

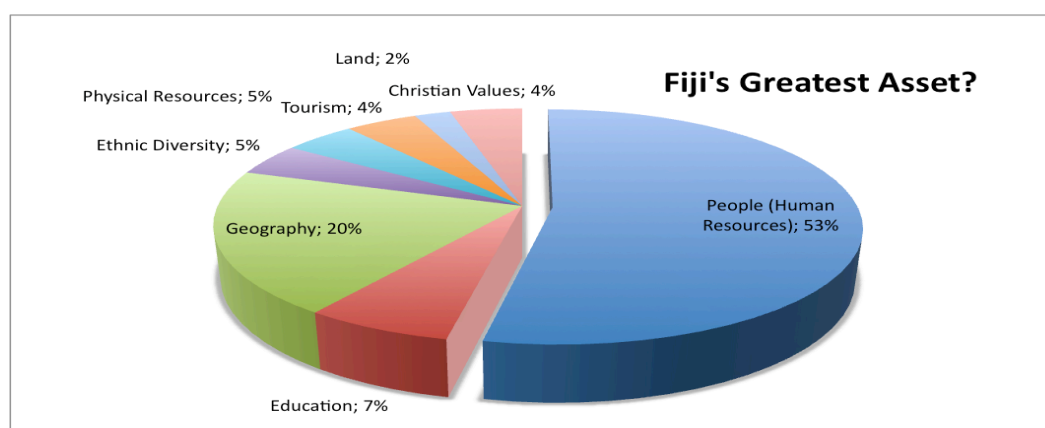


Figure 7: What do you think is Fiji's Greatest Asset? (Indicative Opinion)

²²¹ George Cunningham, "Eu Disappointed with Fiji Regime's Roadmap," *Radio New Zealand*, (2009), <http://www.rnzi.com/pages/news.php?op=read&id=47514>.

²²² Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

²²³ International School Suva, "Fiji Interview 19 - Education Sector Interview" (Suva, 26 June, 2008).

Overwhelmingly the greatest response to this question was the tenacity of the people of Fiji. One commentator states that it is amazing, considering the turmoil that Fiji has experienced over the last decade or more, how the people bounce back and move forward despite all the challenges they encounter.²²⁴ The Fijian people are open, friendly, and have an ability to get on with each other in diverse communities, despite challenging economic and political circumstances.²²⁵ In the last few years eyewitnesses accounts suggest this inherent sense of optimism and confidence about the future of the country is fading.²²⁶ Fijians also comment upon the unique geographical location of Fiji. Fiji is the natural regional hub of the South Pacific, an asset that could be encouraged and harnessed into the future.²²⁷ Once its geography was regarded as an extreme disadvantage but is now an extreme advantage.²²⁸ Despite the emigration of many of the highly skilled and qualified people from Fiji seeking greater stability and money in other countries. Fiji still has a good base of qualified people, which could be used more effectively in certain industries.²²⁹ It is a lack of opportunities, not ambition, that restricts the development of the individual and the wider economy.²³⁰

²²⁴ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview", Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

²²⁵ International School Suva, "Fiji Interview 19 - Education Sector Interview". National Council for Women in Fiji, "Fiji Interview 5 - Ngo Sector Interview".

²²⁶ International School Suva, "Fiji Interview 19 - Education Sector Interview".

²²⁷ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

²²⁸ FEF Fiji Employers Federation, "Fiji Interview 10 - Economy Sector Interview " (Suva, 24 June, 2008).

²²⁹ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview", Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

²³⁰ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

3.2.2 Fiji's Challenges

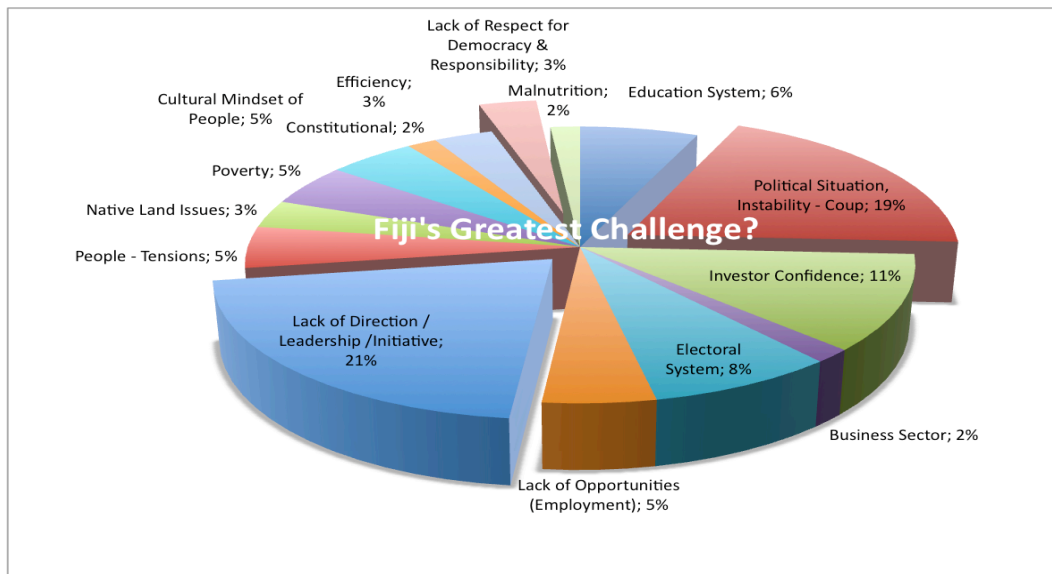


Figure 8: What are Fiji's Greatest Challenges Today? (Indicative Opinion)

Nevertheless, certain attitudes and traits of the Fijian people can also be considered Fiji's greatest weakness. In particular, the lack of leadership shown by politicians, and the cultural mindset of traditionalists, which makes them unable to accept change and value progress as a necessary and good thing.²³¹ The younger generation appear more willing to accept change and embrace progress, but the older generation generally wish to adhere to traditions and utilise traditional systems especially amongst the indigenous population.²³² When a political crisis occurs, the people become disenchanted with modern democratic systems, and feel the need to retreat to what they know and feel comfortable with. This is the traditional chief based system.²³³ Fiji's current economic climate is also bleak. There are a lack of employment opportunities able to absorb even a small percentage of graduates and school leavers. It is estimated that the employment rate

²³¹ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview". Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview".

²³² Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

²³³ Ibid.

in Fiji is about 360,000 with 120,000 in the formal sector, and the other 240,000 in the informal sector meaning almost half the population is unemployed or underemployed.²³⁴

However, the overwhelming response by interviewees about Fiji's greatest challenge was the political instability caused by the present regime. A total of 43% of respondents targeted the coups as their central concern, 19% said so directly, and the rest lamented a lack of leadership and direction in the country, or expressed concern about democratic abuses. A lack of an elected government impacts upon the core values of many Fijians. It also affects the economy, and the basic human rights and physiological needs of Fiji's citizens.²³⁵ The need to have a legal, responsible, and democratic government in place to make crucial decisions, is a vital issue in Fiji that needs to be solved.²³⁶

²³⁴ Fiji Employers Federation, "Fiji Interview 10 - Economy Sector Interview".

²³⁵ National Council for Women in Fiji, "Fiji Interview 5 - Ngo Sector Interview".

²³⁶ Ibid. Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

4 Fiji – Economic Sector

4.1 Overview: A history of economic decline

The political coups of 1987, 2000, and 2006 seriously hindered economic development in Fiji with a drastic loss of skilled people. In the UN Human Development Index (HDI), Fiji has plummeted from 44th in 1986 to 92nd in 2008.²³⁷ The GDP has stagnated with an average growth rate of just under 1% per year since 1995. Average incomes have risen just F\$353 dollars in the past 12 years at constant 1995 levels. Recessions usually hit Fiji worst in the year immediately following a political crisis. For example in 2007 growth rate was -7% and in 2000 the growth rate was -2.1%.²³⁸ There are no figures yet available for 2008 but the coup, coupled with a global recession, will likely show another contraction of the economy. At independence in 1970 Fiji's GDP was roughly on par with Singapore. Today the disparity per capita is massive with the average income in Singapore that is 7.5 times greater than that of Fiji. This shows both the dramatic nature of Fiji's relative economic stagnation, as well as indicating that there has been a lack of leadership and long-term economic planning from successive governments.²³⁹ Political instability and coups cause significant short-term detrimental impacts, and prevents Fiji from creating and enabling long term strategies.

Job creation in the formal sector has remained dismal, with formal sector employment less than half of the informal sector.²⁴⁰ It is estimated that up to a third of foreign income coming into Fiji comes from remittances, and if present issues continue, more highly qualified people will choose to emigrate causing the Fijian

²³⁷ Prasad and Snell, "Fiji: Enabling Civic Capacities for Conflict Prevention and Peacebuilding." UNDP, *Human Development Report*.

²³⁸ UNDP, *Human Development Report*.

²³⁹ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

²⁴⁰ Fiji Employers Federation, "Fiji Interview 10 - Economy Sector Interview".

economy to deteriorate further.²⁴¹ The garments and sugar industries are suffering from a more open market, resulting in a large number of job losses.²⁴² A key problem with Fiji's economy is that it concentrates largely on mass market tourism and sugar, at the expense of many other potential and lucrative industries.²⁴³ The government is not proactive in nurturing the new industries needed to create economic stimulus.²⁴⁴ Fiji is a small country, and can potentially be left behind by global economic progress without innovative thinking and the creation of niche markets. Away from the urban centres, basic infrastructure and services decline and eventually vanish, making rural development particularly difficult.²⁴⁵ Without rural infrastructure, unfortunately, urban migration rates increase drastically beyond what cities can cope with, forcing the creation of squatter settlements on the peripheries of the urban areas.

The number of jobs that can be sustained in the prime industries is not enough to cater for the present rural populations, especially in the case of sugar.²⁴⁶ A robust economy is vital to all other sectors of the Fijian economy. For example, when the economy declines, so too does available funding for the education and health sectors. Consequently, the government is neither able to provide adequate funding to cover infrastructure needs, nor the salary and wages for the required number of professional teachers and doctors.²⁴⁷

This chapter will outline many of the concerns encountered by the Fijian economy given the present political situation. It will look at socioeconomic problems before

²⁴¹ Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

²⁴² Prasad and Snell, "Fiji: Enabling Civic Capacities for Conflict Prevention and Peacebuilding."

²⁴³ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

²⁴⁴ Ibid.

²⁴⁵ Fiji Teachers Association: Official, "Fiji Interview 2 - Education Sector Interview" (FTA Headquarters, Suva, 18 June, 2008).

²⁴⁶ See Sugar Chapter

²⁴⁷ Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview" (FTU Central Offices, Suva, 1 July, 2008).

targeting certain industries in Fiji to show their potential and structural weaknesses. The Chapter will then evaluate the EU developmental economic response in its flagship EPA policy.

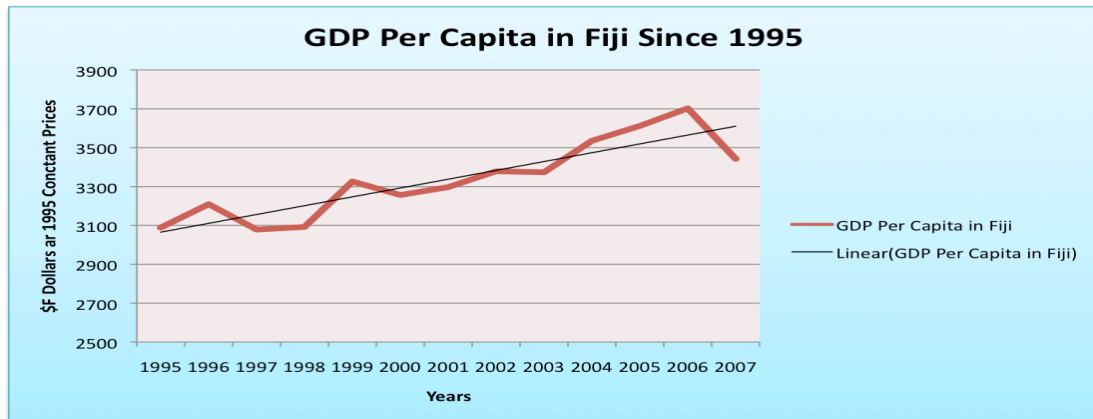


Figure 9: The overall economic growth in Fiji in recent years

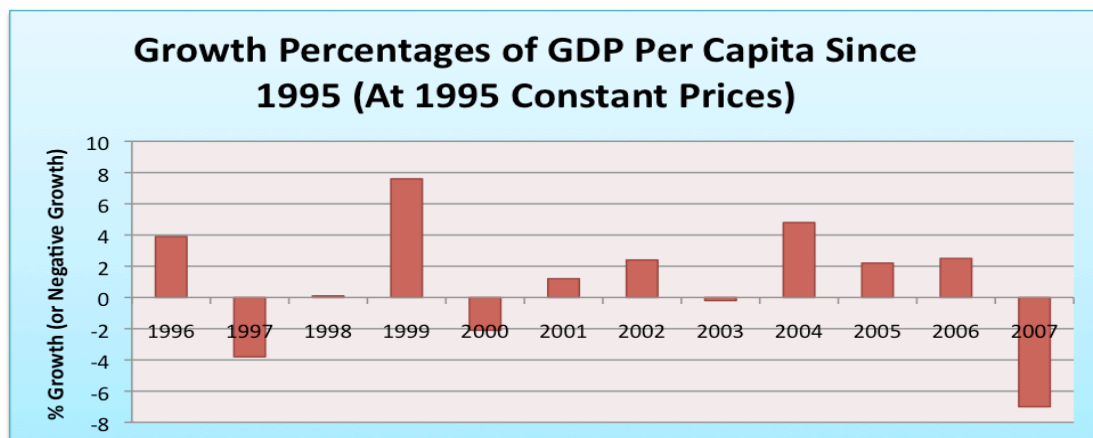


Figure 10: The erratic nature of the economic growth, causing overall stagnation.

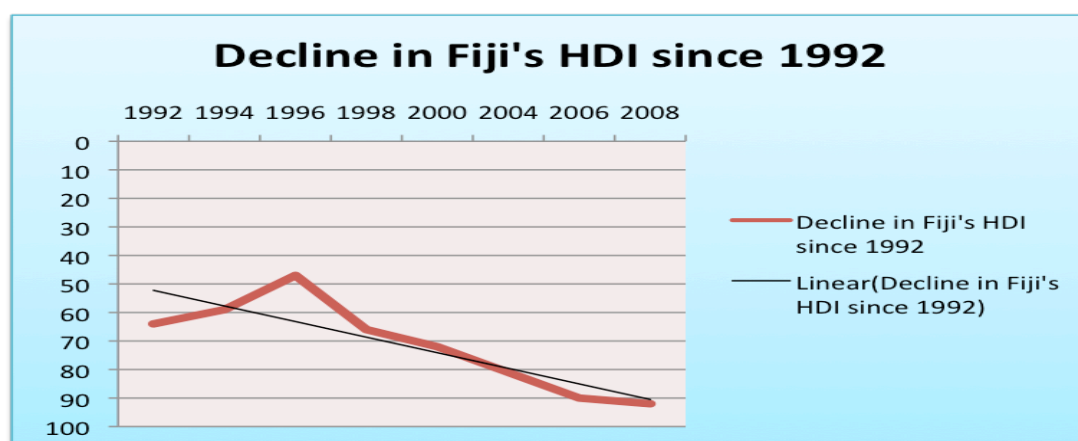


Figure 11: The overall decline in Fijian lifestyle according to the UNDP Human Development Indicators..²⁴⁸

4.2 General Economic Concerns

4.2.1 Disparity in income

The inequality of income between the ethnic groups in Fiji is severe. Indo-Fijians are over represented in both the very poorest sections of society and the very richest.²⁴⁹ Poor Indo-Fijian households earn almost 14% less than the ethnic-Fijian equivalent. Likewise the average income of rich Indo-Fijian households is almost 42% higher than high income Fijian households, leading to the misconception that Indo-Fijians are overall a far wealthier and more prosperous ethnicity. It is the Ethnic-Fijians that dominate the middle-income group of Fiji, and combined with the community activities and support systems, are considered relatively to have the best terms of lifestyles according to a UNDP report in 1999.²⁵⁰ The economic disparities between Fijian and Fiji-Indians need to be addressed especially in terms of access to jobs and land.

²⁴⁸ UNDP, *Human Development Report*.

²⁴⁹ Padma Narsey Lal and Mahendra Reddy, "Old Wine in a New Bottle? Proposed Sugar Industry Restructuring and Land Conflict in Fiji," *Pacific Economic Bulletin* 18, no. 1 (2003).

²⁵⁰ UNDP, *Pacific Annual Report* (Suva: UNDP Pacific Centre, 1999).

The UNDP ‘Fiji Poverty Report’ shows evidence that both suffer from physiological insecurities of poverty and unemployment. Indeed, such concerns are estimated to affect a third of the population.²⁵¹ The physiological security concerns create a low-investment, low-growth developmental trap and there are no signs of improvement in the near future.²⁵²

4.2.2 Trade Liberalisation

Trade liberalisation is a good idea for Fiji, but how it is effected is concerning.²⁵³ Through liberalisation policies, Fijian society has been gained a new level of complexity, with many new opportunities, businesses, and international partners. Fiji however, does not have the systems or expertise in place to take advantage of manage and control the opportunities and businesses that enter the country. This means exploitation by unscrupulous business practitioners is a very real possibility.²⁵⁴ Fiji is also a small country compared to its neighbours in the pacific rim. Therefore, its competitive advantage is minimal in many sectors. Additionally, globalisation, especially through bilateral and multilateral agreements that the governments sign, can lead to external control of economic power either by private enterprise or foreign government, damaging the sovereignty and democratic will of the country.²⁵⁵

²⁵¹ Prasad and Snell, "Fiji: Enabling Civic Capacities for Conflict Prevention and Peacebuilding.", Retiere and Schurmann-Zeggel, *Conflict Prevention and Peace Consolidation in the South Pacific: Papua New Guinea, Solomon Islands, Fiji Islands*.

²⁵² Prasad and Snell, "Fiji: Enabling Civic Capacities for Conflict Prevention and Peacebuilding."

²⁵³ Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

²⁵⁴ Ibid.

²⁵⁵ Powell, "The Road to Sovereignty in the Pacific: A Framework for Pacific Island Development Policy."

4.3 Present Industries in Fiji - Challenges

4.3.1 Fisheries

The Fishing industry in Fiji has been in trouble for a number of years, largely because of EU Health and Sanitation concerns that were not addressed when notified of them in 2005. When EU inspectors examined facilities in 2007 they found them wanting, leading to the EU decision to ban fish imports from Fiji until the problems are rectified. The industry at present is in total disarray.²⁵⁶ The EU laments the lack of action by the Fijian government. The EU estimates with such high demand for tuna and other fish the fisheries sector could easily become a billion dollar industry in Fiji, equalling or surpassing Fiji's present number one industry of tourism.²⁵⁷ The resources of the sea are abundant, and strategies are in place to ensure the sustainability of the industry. It is a matter of having the right policies in place to ensure the fish that get to the international markets are fresh. Placing refrigeration facilities at rural airports would help expand the industry to remote islands that currently have little economic productivity at present. If fish can be shipped to the processing facilities in fresh and hygienic conditions, then the industry could flourish.

4.3.2 Agriculture

Land in Fiji is not being utilised well. There are several land tenure issues that discourage investment and specialisation of agriculture into many industries. At present, the focus remains on the sugar industry, which also has many systemic and structural issues.²⁵⁸ However the tropical climate and relatively large land mass of Fiji's two main islands means that it is possible to plant and produce high quality

²⁵⁶ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

²⁵⁷ Ibid.

²⁵⁸ See Sugar Chapter.

export fruit like paw paw and mango for the global market.²⁵⁹ It could also be possible to can and preserve such fruits for the export market. However, there is no industry producing canned fruit nor is there year round supply of such fruits, meaning Fiji has to import product from Hawaii, Australia, and other countries, instead of having a surplus to export.²⁶⁰

4.3.3 *Tourism*

The Tourism industry is Fiji's largest industry earning about F\$800 million annually for the Fijian economy. Fiji also acts as the central hub destination for the Pacific facilitating travel and exploration for more remote parts of the South Pacific.²⁶¹ For the tourism industry to be successful, a large amount of infrastructure is needed especially roading, power, telecommunications, water, sewage, and the internet. The lack of infrastructure is one of the chief constraints for expansion of the tourism sector beyond its core around Nadi and nearby offshore islands.²⁶² A concern of the tourism sector and one of the purported reasons for the 2006 coup, was the 'Qoloqoli Bill' designed to transfer rights of the coastal waters from the government to indigenous Fijians.²⁶³ Even before the passing of this legislation, it was causing issues for fisherman and tourists in coastal waters, who were intercepted by locals and had money extorted as a fee for travelling in their waters.²⁶⁴ Such actions can be construed as piracy and create fears for the physical safety of Fiji tourists, as well as an additional economic burden. There has been a lot of research and concern in the Tourism industry as to just how much of the

²⁵⁹ Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview" (Lautoka, 4 July, 2008).

²⁶⁰ Ibid.

²⁶¹ Ibid.

²⁶² Ministry of Tourism: Fiji, "Fiji Interview 1 - Tourism Sector Interview".

²⁶³ Hindustan Times, "This Time, a Fiji Coup That Is Not against Indians."

²⁶⁴ Ibid, Fiji Times, "Fiji May Lose Assistance from Eu: Ridolfi," *Fiji Times*, 10 May, 2007.

Tourist Dollar stays in Fiji.²⁶⁵ The Ministry of Tourism, quoting a Reserve Bank of Fiji Report, stipulated that only 40% of the tourist dollar is retained in Fiji. Even so, tourism remains Fiji's highest form of foreign exchange revenue.²⁶⁶

The coup has had adversely impacted upon. After the 2006 coup, Helen Clark PM of NZ at the time, stated that it was immoral for New Zealanders to holiday in Fiji.²⁶⁷ Tourism numbers nevertheless remained steady at about 500,000 visitors annually.²⁶⁸ The demography of tourist coming to Fiji was quite different however with a focus on budget holiday seekers. Consequently, the amount of income per tourist has declined sharply with budget backpackers making a far greater percentage of tourist numbers, as opposed to the high-end luxury hotel seekers.²⁶⁹ The Ministry of Tourism stated that there was actually a 14% increase in arrivals from Australia in 2007, but a net decline in revenue from all Australian tourists.²⁷⁰ Overall, revenue for the 2007 financial year was F\$600 million as compared to the average of F\$800 million.²⁷¹ Even with such a decrease in revenue, the Ministry still affirms that Tourism is Fiji's number 1 industry, 3 times larger than sugar.²⁷²

4.3.4 *Linking the economic sectors of Fiji*

The market to supply the hotels and resorts with fresh food and commodities is considerable. Despite current contractions, the tourist sector is optimistic that its turnover will soon reach the elusive billion dollar mark. If Fiji could exploit its position as the heart of the South Pacific, the potential for supplying such goods to

²⁶⁵ Ministry of Tourism: Fiji, "Fiji Interview 1 - Tourism Sector Interview".

²⁶⁶ Ibid.

²⁶⁷ Richard Long, "Fiji Needs Help, Not Hindrance," *Dominion Post*, 5 May, 2009.

²⁶⁸ Ministry of Tourism: Fiji, "Fiji Interview 1 - Tourism Sector Interview".

²⁶⁹ Ibid.

²⁷⁰ Ibid.

²⁷¹ Ibid.

²⁷² Ibid.

other South Pacific countries, also reliant on tourism, is significant. Fiji is not unique in possessing beautiful beaches, but it does have the population, land mass, education, and industry that could allow it to quickly build capacity with sound investment.²⁷³ At present Fiji is unable to produce crops of a consistent quality year round. This hinders its potential to act as a significant member of the food supply to Fijian hotels and resorts.²⁷⁴ More vocational training and planning is needed to help Fijian industries integrate with other sectors.

4.4 *Fiji: Socio Economic Concerns*

Poverty in Fiji is rising, with some penurious locals wondering where their next meals are coming from and feeling compelled to sell their children.²⁷⁵ In June 2009, the Fiji Times reported an increase in sale of young girls for prostitution by their parents.²⁷⁶ Such drastic measures show both the desperate situation some families are in as well as the feminisation of poverty. In difficult times it is the poor young female that suffers the most.²⁷⁷ Local NGOs are calling on the government to be more active investigating these issues whilst providing basic human rights education, and doing more to help economic insecurity.²⁷⁸

There is a large urban drift in Fiji, particularly among the low-income casual labour market. This has meant a corresponding increase in squatter settlements with a rapid increase in the number of people forced into slums and shantytowns since

²⁷³ Tokatoka Resort, "Fiji Interview 33 - Tourism Sector Interview" (Nadi, 3 July, 2008).

²⁷⁴ Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview".

²⁷⁵ Rajendra Prasad, "Darkness Surrounds New Path in Fiji," *Indian Newslink*(2009), <http://www.indiannewslink.co.nz/>.

²⁷⁶ Fiji Times, "Girl Sale a Rights Issue," *Fiji Times*, June 15, 2009.

²⁷⁷ Ibid.

²⁷⁸ Ibid.

December 2006.²⁷⁹ These settlements lack proper shelter, good water supplies, and sanitation. As of 2007 there are 182 squatter settlements in Fiji.²⁸⁰ A particular concern are the very high rates of anaemia caused by poor quality and low iron diets. A recent report in 2009 estimated almost half children under 5 years of age, a third of women, and a quarter of men are anaemic. The long-term effects of anaemia include poor physical growth and mental development.²⁸¹ People with anaemia spike after a natural disaster, such as the floods that affected the western region in January 2009. The Ministry of Health is addressing the problem by giving pregnant women iron supplements, although it is clear that more needs to be done.²⁸²

The civil and charitable sectors of Fiji remain remarkably robust despite whatever political upheavals, and strives to solve immediate ‘grass roots’ concerns that make the daily lives of people more difficult. Often, NGOs are created in Fiji when it is discovered that an international aid partner wants to focus on a particular area. For example, there is a massive proliferation of women’s NGOs in Fiji with several dozen now operating when traditionally there were only a few.²⁸³ These new NGOs often work at cross purposes, increase administration costs, and prevent efficient delivery of needed services. Laws need to be established in Fiji to prevent the spontaneous establishment of NGOs. Separating those NGOs with genuine programmes and intentions from those without would be a difficult task and any laws will only create more levels of bureaucracy. Consequently, less funding and effort would be targeted towards the identified target group. those intended

²⁷⁹ Long, "Fiji Needs Help, Not Hindrance." Ministry of Information: Fiji, "Interview with Minister of Women, Social Welfare and Housing, Adi Laufitu Malani," *Squatters*(2007), http://www.fiji.gov.fj/publish/page_8965.shtml.

²⁸⁰ Ministry of Information: Fiji, "Interview with Minister of Women, Social Welfare and Housing, Adi Laufitu Malani."

²⁸¹ National Food and Nutrition Centre, "Iron Deficiency in Fiji a Worry," *Fiji Times*, July 1, 2009.

²⁸² Ibid.

²⁸³ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

according to the original goals of the NGO. Even established organisations that have done good work with the European Union have fallen into this trap of unnecessary bureaucracy. Both the National Council for Women, and the Fiji Forum for Non-State Actors, admitted to procedural faults that have caused issues with the EU.²⁸⁴

4.5 *EU Response*

4.5.1 *Economic Partnership Agreement (EPA)*

The European Union Economic Partnership Agreement (EPA) is the EU's flagship new developmental agreement. It combines the principles of Cotonou with recent WTO rulings, to create a multi-tiered regional trade and aid agreement designed to replace the non-reciprocal trade concessions of the Lomé Conventions with those with more reciprocity.²⁸⁵ The EPAs are not intended to be a typical Free Trade Agreement, although it does include considerable FTA aspects. As of writing, Papua New Guinea and Fiji have signed and ratified the EPA and the EU delegation is confident that Vanuatu and the Solomon Islands will do so in the near future.²⁸⁶ The Aim of the EPA is to help the Pacific improve competitiveness, diversify its exports, and build regional markets.²⁸⁷ The EU delegation compares the benefits of the EPA to the potential dangers of the PACER agreement that lowers economic borders between Pacific Island states and Australia and New Zealand.²⁸⁸ It is concerned that while the EPA should encourage trade and establishment of industries, PACER will encourage them to move away from the Pacific Islands to

²⁸⁴ Ibid. National Council for Women in Fiji, "Fiji Interview 5 - Ngo Sector Interview". Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

²⁸⁵ Stephen Dearden, "The Interim Pacific Economic Partnership Agreement," *European Development Policy Study Group* DP36(2007), <http://www.edpsg.org/index.pl>, European Commission, "Economic Partnership Agreement: Trading for Development," (Luxembourg: European Communities, 2007).

²⁸⁶ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

²⁸⁷ European Commission, "Economic Partnership Agreement: Trading for Development."

²⁸⁸ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

Australia and New Zealand, where through economies of scale, things can be produced more cheaply.²⁸⁹ The EU insists that the EPA is a developmental tool designed to work in conjunction with the EDF programmes.²⁹⁰ The EPA includes more details than just a pure trade agreement and has meant the EU regional budget for the PACP has almost tripled to help with measures to facilitate EPA implementation. The reciprocity clauses for the EPAs mean that there is a 10 to 20 year buffer for most tariff reduction clauses. As such, the EPA is a cushioned approach to trade liberalisation.²⁹¹

There is a belief that Fiji does have the potential to have a competitive advantage in many areas if given the right incentives. One of the main hopes of the EPA, however, is that it “forces the (Pacific) region to integrate with itself,”²⁹² which in the longer term will be of immense benefit to all the islands. All the islands have significant tariffs on other Pacific Island goods. Combined with small markets this effectively prohibits neighbouring islands from trading with each other.²⁹³ There is no solidarity between Pacific Island states, which makes regional development especially difficult.²⁹⁴ The EU prides itself as an exemplar of how a region can integrate with neighbours for mutual benefit. Certainly it wants to encourage greater integration in the Pacific, and views the EPAs as an opportunity to instigate that premise seriously into the Pacific-ACP countries.²⁹⁵ There are commissioned studies that claim the long-term benefits of the EPA outweigh the short-term

²⁸⁹ Ibid, Jane Kesley, "Going Nowhere in a Hurry? The Pacific's Epa Negotiations with the European Union," *Victoria University of Wellington Law Review* 38(2007).

²⁹⁰ Robert Matau, "Dark Days Ahead for Sugar Cane Farmers," *Fiji Times*, 17 September, 2007. Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

²⁹¹ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

²⁹² Ibid.

²⁹³ Ibid.

²⁹⁴ Ibid.

²⁹⁵ Ibid, Stephen Dearden, "A Critique of the Pacific Epa Sustainability Assessment," *Asia-Pacific Journal of EU Studies* 3, no. 1-2 (2005).

costs.²⁹⁶ It is however feared that the EPA although may appear to be of benefit to Fiji, but has a hidden agenda of securing EU rights to particular markets and in the longer term will be the principle benefactors.²⁹⁷

Some NGOs have voiced considerable concerns about the EPA, and in particular how it is presented to them. For example a member of the NCWF was invited to EPA consultations in Papua New Guinea. However upon arrival she discovered that the EU were not actually doing consultations or asking any questions. They were merely informing people about the EPA and how it was going to be implemented.²⁹⁸ Generally supportive of EU and its community involvement, she felt for the first time that the European Union was abrupt, “crude and strong armed”, using its economic might to leverage a deal not necessarily favourable to Fiji in the longer term.²⁹⁹ There are also concerns from the sugar industry, to ensure that the EPA does not supplant the present Sugar Protocol and aid offerings by the European Union.³⁰⁰

There is an argument that Fiji signed onto the EPA to simply secure sugar access rights to the EU in the medium to long term future. In a joint statement by various Fijian and regionally based NGOs, four key concerns were highlighted.

1. The EPAs will reduce government revenue in Pacific Countries, by ensuring trade tariff barriers are reduced.

²⁹⁶ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

²⁹⁷ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

²⁹⁸ National Council for Women in Fiji, "Fiji Interview 5 - Ngo Sector Interview".

²⁹⁹ Ibid.

³⁰⁰ PACnews, "18 Acp Sugar Producers Want to Preserve the Benefits of the Sugar Protocol," *Pacific News*, 4 May, 2007 2007.

2. The EPAs will undermine the sovereignty of the pacific peoples, preventing pacific countries from discriminating in favour of local suppliers to boost the local economy.
3. The EPAs contrary to the EU's stated intentions will harm pacific development rather than promote it. This is due to the EPAs preventing pacific countries use of tariffs on export bans to nurture new industries. For example, at present there is a ban on exporting certain types of unprocessed wood, in an effort to create a value added furniture industry.
4. The EPAs reduce the pacific nations abilities to meet human rights obligations rather than increase this capacity. This is mainly because of stringent intellectual property clauses that will mean the countries can only purchase trademarked medicines making them prohibitively expensive, and it puts large costs on transference of knowledge.³⁰¹

The EU argues that the EPA is much broader than this, and that maintaining the status quo is not an option because of the WTO,³⁰² and that sustained growth and development is not happening in the Pacific-ACP countries as desired. A holistic trade and aid agreement will be able to provide more economic and social gain than aid policies like the EDFs in isolation.³⁰³ The delegation reaffirms that this is a cushioned approach to trade liberalisation that has to eventually happen in Fiji and the Pacific if it is to continue to develop is a global economy.³⁰⁴

³⁰¹ Pacific Network on Globalisation et al., "Joint Statement Following Seminar on the Pacific-Eu Economic Partnership Agreement," (2008), <http://www.pang.org.fj/>.

³⁰² Dearden, "A Critique of the Pacific Epa Sustainability Assessment."

³⁰³ European Commission, "Economic Partnership Agreement: Trading for Development."

³⁰⁴ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

4.5.2 *EU Engagement with NGOs*

According to the Cotonou Agreement, NGOs were to administer up to 15% of any EU assistance given to a country. The Fiji Forum for Non-State Actors was set up in 2002 to act as a conduit between the European Union, other NGOs, and the community directly. The FFNSA had 35 NGO members and funds started to be channelled in 2005 for water projects, community administration offices, kindergartens, and small business enterprises.³⁰⁵ The FFNSA believed the projects and relationship were working well, but the EU decided to terminate the arrangement concerned that many projects approved by the FFNSA did not meet strict EU requirements. The relationship was terminated rather abruptly and things were “not left on a good note”.³⁰⁶ Instead, the EU decided to channel the funding through the Ministry of Finance. A member of the FFNSA was concerned that the EU were being overly bureaucratic, and that they were at times treated as simply another branch of EU Del Pac.³⁰⁷ However, all the targeted communities that received aid through this system appreciated the assistance the EU was giving, and overall there is a belief that the EU’s intention was sincere.³⁰⁸ The EU is involved with other small NGO projects. For example, it assisted the National Council for Women to provide vocational training to young women school leavers and help them become community counsellors.³⁰⁹ On the whole, NGOs are very supportive of the EU’s EDF funds, and the focus the EU has on non-state community

³⁰⁵ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

³⁰⁶ Ibid.

³⁰⁷ Ibid.

³⁰⁸ Ibid.

³⁰⁹ National Council for Women in Fiji, "Fiji Interview 5 - Ngo Sector Interview".

operations.³¹⁰ Foreign developmental aid is not only considered beneficial but critical to the operations of many NGOs.³¹¹

4.5.3 *Humanitarian Assistance with Natural Disasters*

Despite the coup and the actions of the interim regime, The EU has not stopped its humanitarian actions in Fiji and provided considerable relief funding to victims of flooding and other natural disasters since in 2006.³¹² On April 16 2009, the European Union released a press statement declaring that it had committed an additional €250,000 to assist with post disaster rehabilitation efforts in the 28 severely affected flood locations throughout Fiji from the flash floods of January 2009.³¹³ The aid is to be focussed on schools, health centres, and other critical public institutions in the flood affected areas.³¹⁴ It also allows for capacity building at a community level.

4.5.4 *EU Future Options*

It has been suggested that the EU can focus more on providing technical expertise and capacity building in local communities as a prime focus for development.³¹⁵ With greater networking and connectivity grassroots concerns will be heard faster, and appropriate responses can both be faster and more targeted.³¹⁶ With the EU's focus on education, it can also help certain industries with labour mobility and upskilling of people wanting to enter new trades.³¹⁷ Of particular importance is the need for more locals to be skilled in managerial operations, which are still largely

³¹⁰ Ibid.

³¹¹ Ibid.

³¹² Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview".

³¹³ Rova, "Eu Supports Unicef with €250,000 for Fiji Flood Rehabilitation."

³¹⁴ Ibid.

³¹⁵ National Council for Women in Fiji, "Fiji Interview 5 - Ngo Sector Interview".

³¹⁶ Ibid.

³¹⁷ Ministry of Tourism: Fiji, "Fiji Interview 1 - Tourism Sector Interview".

dominated by ex-pats.³¹⁸ The EU considers itself to have a competitive advantage in renewable energies, which will become much more important to Fiji and other Pacific Island states as higher oil prices became permanent.³¹⁹ Already the EU has helped the FEA with a wind farm project near Sigatoka, which could power up to 15000 households.³²⁰

4.6 Future Industry Possibilities

4.6.1 Utilising English Skills of Fiji: Teaching & Call Centres

Fiji has a relatively well-educated English speaking population and the Fijian accent is quite clear for people to understand. This means that Fiji has an opportunity to teach English as a second language to primarily Asiatic students, desperate for immersion. Already in Lautoka there is a community of Japanese students learning English in private institutions. This is an industry that can be fostered and developed.³²¹ Fiji could operate such institutions at very competitive prices in comparison to its Australian and New Zealand neighbours, and the Asian market is massive with Koreans, Chinese, Japanese, and Thai all very keen to increase their competence in English.³²²

Another option for Fiji with its proficiency in English, neutral time zone, and access to the Southern Cross cable, is the call centre industry. At present the numbers of people involved in the industry are between 1,500 and 2,000.³²³ Indeed the ANZ Bank has already established an international call centre in Fiji. People are starting to identify both Fiji's location and language abilities as strengths. As outsourcing of

³¹⁸ Ibid.

³¹⁹ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

³²⁰ Ibid.

³²¹ Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview".

³²² Ibid. Fiji Employers Federation, "Fiji Interview 10 - Economy Sector Interview".

³²³ Fiji Employers Federation, "Fiji Interview 10 - Economy Sector Interview".

call centres becomes more common in developed countries, this is an industry that just needs the right incentives and promotion to become an important player in this field.³²⁴ Call centres certainly appear an area that will repay the efforts to promote it. For larger expansions in this area there needs to be an upgrading of telecommunications facilities to make it more accessible and affordable. However, Fijians are known as a welcoming people, so to reorientate this to a customer service mentality will require minimal training.

4.6.2 Niche Markets & Micro-Enterprises

There are many niche industries in Fiji that have lots of potential and are not really being harnessed at present. These include agricultural products like saffron, and vanilla, which are both grown successfully in French Polynesia. Other agricultural products yield a very high profit on the world market and can utilise the little pockets of fertile soil in various islands.³²⁵ Eco-tourism is also a good possibility for Fiji with its large tracts of unspoilt native forests in the hinterland and uninhabited islands. However, the key concern is that the capital needed to invest in an eco retreat is intensive compared to the returns gained.³²⁶

There needs to be laws, policies, and international aid available to assist with the setting up of small businesses and entrepreneurship opportunities. Helping Fijians start something on their own at the grass roots level and become self employed, is a good way to expand the economy without large capital investment. At the moment policies are not favourable for small businesses, so even if the people have the initiative to start something, there are too many bureaucratic hurdles to overcome.³²⁷

³²⁴ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

³²⁵ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

³²⁶ USP Governance School, "Fiji Interview 8 - Governance Sector Interview".

³²⁷ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

4.7 *Fiji Governmental Response: Economic outlook*

The interim regime is being quite proactive in trying to encourage economic performance in Fiji. Frank Bainimarama talked in July 2009 about the global recession, its impact upon Fiji, and the necessity to devalue the Fijian dollar in May 2009 by 20%. A devalued Fijian dollar he hopes will spur tourist numbers, give greater income to the cane farmers and increase demand for other export industries like garments, timber and mineral water. In the short term the devaluation will comparatively increase foreign reserves from F\$440m to F\$660m.³²⁸ The expected cost of the devaluation is for inflation to jump 10% in the next year.³²⁹ The interim regime wants economic development to be spread throughout Fiji and not focussed on particular areas of Viti Levu, which has generally happened in the past.³³⁰ Bainimarama has pleaded with international investors not to flee the country after he took power. On the contrary, he claims he wants to ensure that Fiji is a more business friendly place and will “accelerate the pace of economic reforms and move rapidly to cut out the red tape.”³³¹ One initiative of the Fiji government is to offer tax concessions of up to 150% for any private investors that help with building and maintaining infrastructure related to the tourism sector.³³² Nevertheless, as of July 2009, the economic outlook of Fiji looks increasingly bleak, with the prospect of the country failing entirely becoming increasingly likely.³³³

The EU EPAs are controversial. There maybe a necessity for a new trade regime between the EU & Pacific ACPs because of WTO rulings. However, the potential

³²⁸ Bainimarama, "A Strategic Framework for Change".

³²⁹ Ibid.

³³⁰ Ministry of Information: Fiji, "Govt Commits \$1.8 for Cane Access Roads," ed. Ministry of Information: Fiji (Suva: Government of Fiji Online, 2009).

³³¹ Lilley, "Fiji Sugar Industry Says It Faces Collapse If the Eu Cancels Aid Package.."

³³² Ministry of Tourism: Fiji, "Fiji Interview 1 - Tourism Sector Interview".

³³³ NZPA, "Diplomacy Has Failed - Mike Moore," *Stuff.co.nz*(2009), <http://www.stuff.co.nz/world/south-pacific/2521391/Diplomacy-has-failed-Fiji-Mike-Moore>.

consequences of the EPA, like any agreement on trade liberalisation, is that it will expose Fiji to market forces when its economy prospects are at their most pessimistic.³³⁴ Fiji may be a larger state in the South Pacific but still has very few industries that can demonstrate competitive advantage that ensures its growth and sustainability. The EU insists that it is a positive, revolutionary trade agreement that may have short term costs, but the projected longer term economic benefits for Fiji are substantial.

³³⁴ Satish Chand, "Swim or Sink: The Predicament of the Fijian Economy," *Pacific Economic Bulletin* 22, no. 2 (2008).

5 Fiji – Governance Sector

Many forms of government have been tried, and will be tried in this world of sin and woe. No one pretends that democracy is perfect or all-wise. Indeed, it has been said that democracy is the worst form of government except all those other forms that have been tried from time to time.³³⁵

5.1 A Cycle of Coups

5.1.1 Why a Cycle of Coups in Fiji

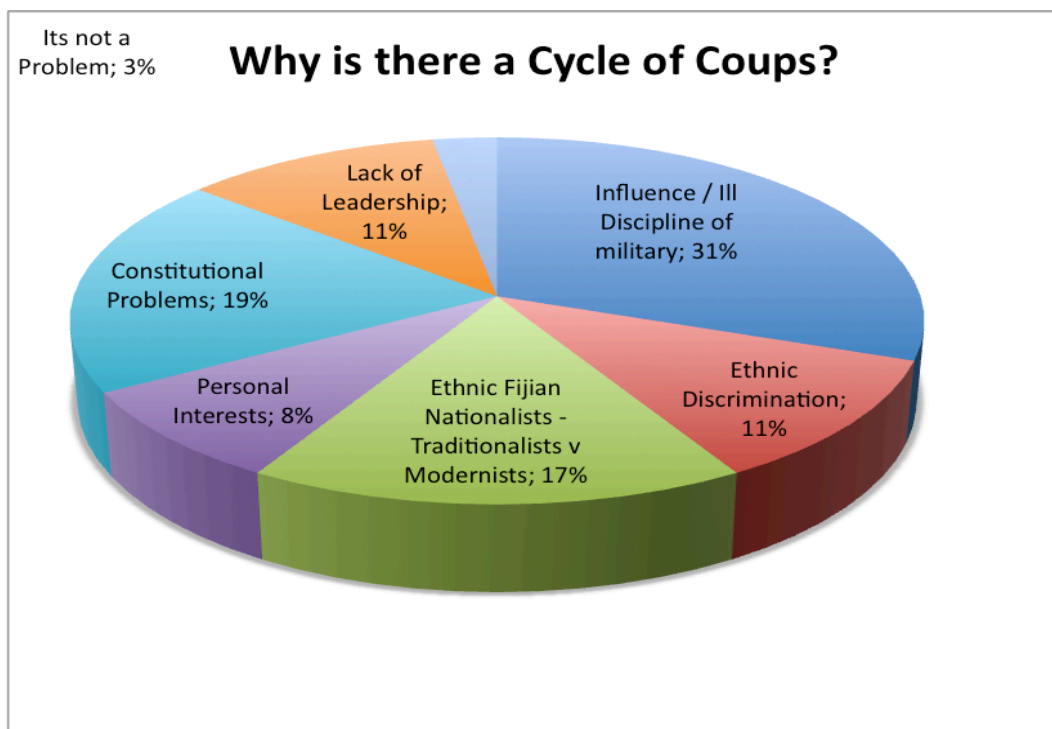


Figure 12: Why is there a Cycle of Coups in Fiji? (Indicative Opinion)

It is clear that there is a sequence of coups in Fiji, and that the threat of a new constitutional crisis and coup is ever present. Academics have called this a cycle of

³³⁵ Winston Churchill, "Adress to the Houses of Parliament" (London, November 11, 1947).

coups, and it is a system that causes inherent instability and destroys any genuine attempts at development and cooperation in Fiji.³³⁶ The reasons for the cycle of coups is diverse, interviewees cited a lack of leadership, and increasing mistrust of politicians, resulting in a gap between their rhetoric and their actions.³³⁷ Constitutional issues, ethnic Fijian nationalist sentiments, and discrimination have also been suggested. However, interview results clearly place the blame for the cycle of coups upon the military, for it has been the common dominator in all actions. The military is one of the few organisations in Fiji that has the physical power to organise a successful coup. The only coup not backed by the military was the 2000 coup led by George Speight, and that subsequently failed after a prolonged and tense hostage situation.

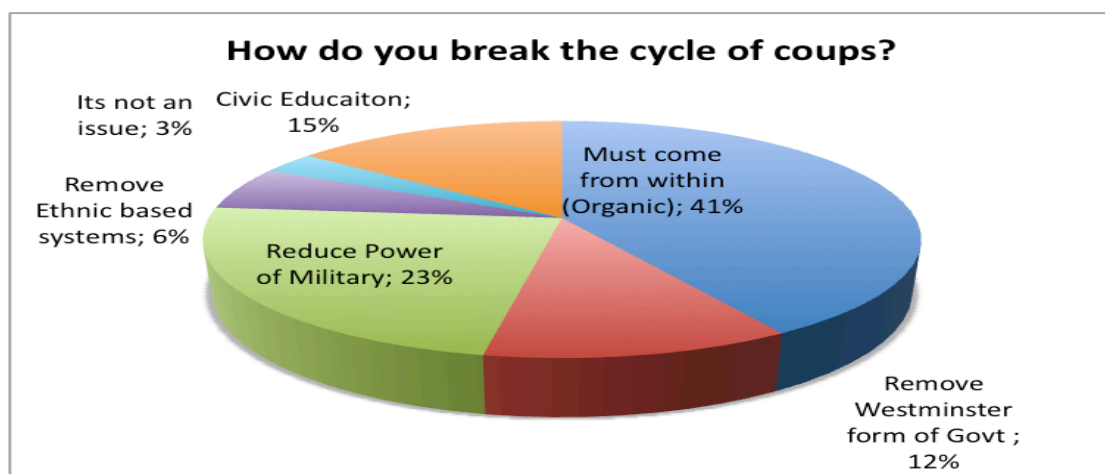


Figure 13: How do you break the Cycle of Coups in Fiji? (Indicative Opinion)

Bainimarama declared that his 2006 coup shall be ‘the coup to end all coups’ and so there is an appreciation even from the military to stop the coup culture. The Peoples Charter emphasises that there are no long term winners in a coup.³³⁸ Regardless of

³³⁶ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

³³⁷ Transparency International, "Fiji Interview 3 - Ngo Sector Interview", Brooker, *Non-Democratic Regimes*.

³³⁸ Government of Fiji, "Fiji: Draft Peoples Charter for Change, Peace, and Progress & the State of the Nation Economy Report," ed. National Council for Building a Better Fiji (Suva: Government of Fiji, 2008).

the political orientation of a Fijian, for this to happen requires a “profound agenda of social engineering” with participation from all parties.³³⁹ However, the present regime has disenfranchised, and discouraged half the population from participating in its far reaching critical constitutional issues. Therefore, there is a fear that Bainimarama’s efforts will not help solve the cycle of coups when he eventually relinquishes power either. This is because those who may be delegated with carrying the reforms forward in following decades may not agree with them, and therefore organise another coup to rapidly enact new reforms.³⁴⁰

One suggestion to end the cycle of coups is to ensure that those who instigate such actions, regardless of their intentions or background, be brought to justice and punished severely by a robust independent judicial system.³⁴¹ Only when the justice system operates properly and people see justice happening will they realise how wrong conducting a coup is, and make those who contemplate such recourse to action reconsider their position.³⁴² Unfortunately, a judicial system is only powerful when the government adheres to the democratic principles of accountability. Otherwise, when unhappy with a judicial decision, a regime can ignore its rulings and dissolve the court, such as what happened in April 2009.³⁴³ Therefore, mass civic education about democratic ideals, responsibility, transparency, and accountability would be a way to break the cycle of coups. If enough people sincerely believe in these ideals, such education will encourage people to stop being apathetic towards politics, and through inaction be implicit supporters of dictatorship.³⁴⁴ Ultimately, a cycle of coups will not stop until there remains no one

³³⁹ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

³⁴⁰ Ibid.

³⁴¹ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

³⁴² Ibid.

³⁴³ Fiji Times, "No Other Way for the President," *Fiji Times*, April 20, 2009. Iloilovatu Uluivuda, "Address to the Nation."

³⁴⁴ National Council for Women in Fiji, "Fiji Interview 5 - Ngo Sector Interview".

in society with influence willing stage a coup.³⁴⁵ In this sense it is not a matter of creating a strategy to specifically stop the cycle of coups, rather to ensure that there are principled people in positions of power who consider coups abhorrent. If that occurs then the cycle will stop on its own accord.³⁴⁶

5.1.2 *Democratic Values in Fijian Society*

The concept of democracy being a ‘Foreign Flower’ in Fiji and the South Pacific is not a new one.³⁴⁷ However, the internal reaction against the 2006 coup above would argue against that. A more refined argument would be that certain types of democracy are ‘foreign flowers’ in Fiji. Indeed, one interviewee claimed that the military coups are a direct reaction to the Westminster democratic system with coups becoming the way the minority get their voices heard.³⁴⁸ He suggests that so long as a semblance of Westminster democracy exists in Fiji, so too will the cycle of coups continue. As such, the demand for the restoration of democracy by the EU and other international parties ignores the fact that democracy as is understood by Western countries, has never occurred successfully in Fiji.³⁴⁹ For example, it is claimed that the long period of ‘democracy’ after independence under the guidance of Ratu Kamisese Mara were really years of benevolent dictatorship with a façade of democracy operating underneath him.³⁵⁰ Such concepts are problematic for the EU spreading a distinctive conception of democracy through its normative values.³⁵¹ However, the system worked and created stability for 17 years. This

³⁴⁵ Oxfam, "The Fijian Sugar Industry: Investing in Sustainable Technology," *Briefing Paper*, no. 77 (2005), www.oxfam.org/en/policy. Brooker, *Non-Democratic Regimes*.

³⁴⁶ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

³⁴⁷ Larmour, ed. *Governance and Reform in the South South Pacific*, Lawson, *Tradition Versus Democracy in the South Pacific*.

³⁴⁸ Fiji Teachers Association: Official, "Fiji Interview 2 - Education Sector Interview".

³⁴⁹ Long, "Fiji Needs Help, Not Hindrance." Fiji Daily Post, "Lay Off Bainimarama, He's Doing It for Fiji".

³⁵⁰ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview", International School Suva, "Fiji Interview 19 - Education Sector Interview".

³⁵¹ Carbone, "Normative Power and Political Dialogue: The European Union in the South Pacific."

suggests that dictatorship could be a better direction for Fiji, which still remains a very traditional and hierarchal society.³⁵²

A benevolent dictatorship concept lacks the checks to power that democracy offers. There are no constitutional or legislative controls to prevent Bainimarama and Fiji following the path of Mugabe and Zimbabwe.³⁵³ Nor are there any checks to power to prevent another coup from occurring. The Westminster democratic system means that a party that forms the government could have won 50.1% of the vote and thus not be truly representative of the people. The search for a democratic system that is suitable to Fiji continues.³⁵⁴ Eventually this search should bear fruit because over 80% of interviewees stipulated that they still have faith in the democracy, and in democratic principles.

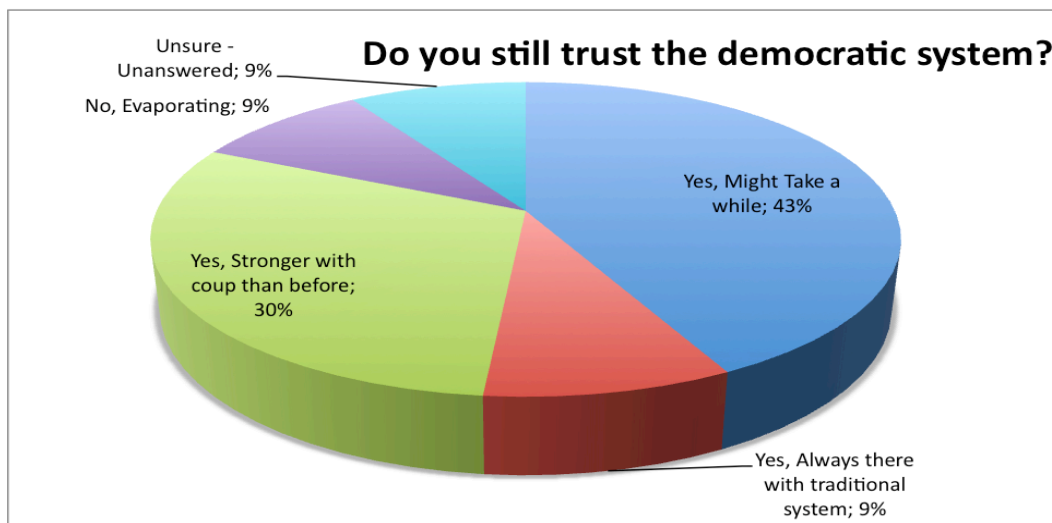


Figure 14: Do you still have trust in a Democratic system for Fiji? (Indicative Opinion)

Many aspects of Fijian society are very democratic, and in the Fiji school system is democratic values are taught and well understood. Many indigenous Fijians stated

³⁵² National Council for Women in Fiji, "Fiji Interview 5 - Ngo Sector Interview".

³⁵³ International School Suva, "Fiji Interview 19 - Education Sector Interview".

³⁵⁴ USP Governance School, "Fiji Interview 8 - Governance Sector Interview".

that the most recent coup has given them an real appreciation of democracy and at the grassroots level, created a far greater awareness of the democratic ideal because “indigenous Fijians are at the moment feeling disenfranchised.”³⁵⁵ Improvements to the economy and the various social sectors can only happen when there is a government that is accountable and transparent. It is conceded that under a coup regime Fiji will still progress. However the impact upon the Fiji citizen’s lifestyle, health, education will be enormous. Each sector of Fijian society will become relatively worse as the regime maintains its grip on power.³⁵⁶

There are some innovative forms of democracy in the world that Fiji can look to as it attempts to establish a system that works well with its historical, cultural, and geographical context. “The nuances of democracy are boundless.”³⁵⁷ However, it is clear that a coup culture is not a form of democracy. A suggestion for Fiji is that the system must be a process that maximises discourse and ensures the quality, transparency, and accountability of that discourse whilst remaining as non adversarial as possible.³⁵⁸ The concept of cooperative politics rather than adversary fits better with the ‘pacific way’ and is essential. Democratic needs also change from the local level to the national, and a new system must reflect that. To establish a system that caters for the needs of all the voices in the community and at all levels is complex. Only through an organic process of trial and error will an effective system evolve. Certainly in its traditional form, a Westminster based system doesn’t offer that.³⁵⁹ The cycle of coups can be seen optimistically as part of this organic process helping Fijians discover a system that works best.

³⁵⁵ Ministry of Tourism: Fiji, "Fiji Interview 1 - Tourism Sector Interview".

³⁵⁶ Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview".

³⁵⁷ Holland, *The European Union and the Third World*.

³⁵⁸ USP Governance School, "Fiji Interview 8 - Governance Sector Interview".

³⁵⁹ Ibid.

5.1.3 *Tradition v Democracy?*

Many Indigenous Fijians claim that the traditional tribal system is a democratic system, and indeed more democratic than the Westminster government that Fiji has inherited from the British after independence.³⁶⁰ Each chief in the Fijian hierarchy has immediate responsibility of those underneath him and gets advised by them in turn. Therefore at each level of the hierarchy there is some form of direct democratic representation.³⁶¹ Traditional values in Fiji are considered one of its strengths, because according to a few interviewees,³⁶² the traditional community teaches respect and generosity. It should be possible to incorporate the best elements of the traditional system into the new governmental system, but be different from the Great Council of Chiefs that presently exists. The traditional system can become problematic when self-serving individuals manipulate the system for their own benefits, as shown by *vanua* and the earlier Fijian coups.³⁶³ Lawson attacks traditionalism by claiming that most of the time the chiefs are hypocritical, advocating values that they themselves do not live by.³⁶⁴ Indeed she concludes that traditionalism is really a façade that ensures the elite retain power and privilege, while avoiding demands for accountability and participation, two fundamental aspects of democracy.³⁶⁵

³⁶⁰ Fiji Teachers Association: Official, "Fiji Interview 2 - Education Sector Interview".

³⁶¹ Ibid.

³⁶² Ibid, Fiji Independent Commission Against Corruption, "Fiji Interview 25 - Governance Sector Interview" (Suva, 1 July, 2008). Blue Lagoon Cruises, "Fiji Interview 35 - Tourism Sector Interview".

³⁶³ Fiji Independent Commission Against Corruption, "Fiji Interview 25 - Governance Sector Interview". Birij V Lal, *Islands of Turmoil, Elections and Politics in Fiji* (Canderra: Asia Pacific Press, 2006).

³⁶⁴ Lawson, *Tradition Versus Democracy in the South Pacific*.

³⁶⁵ Ibid.

5.2 *Ethnicity Debate*

5.2.1 *Arguments for Ethnic Tensions*

Some international scholars suggest that ethnicity and the tensions between the Indo-Fijians and Indigenous-Fijians are the chief cause of political instability in Fiji.³⁶⁶ This perception is encouraged by international media which claimed that racial extremism and discrimination like that of Nazi Europe could be happening in Fiji today.³⁶⁷ Davies makes a convincing argument for the causes of ethnic tensions on either side. From the Indian side he suggests that Indians view themselves as victims of history and circumstance, reinforced by the coups that forcibly removed democratically elected Indian political control.³⁶⁸ The Indians have been subjected to racist policies throughout Fijian history marking them as inferior citizens.³⁶⁹ Fijian public servants, for example, have been accused of discriminating against the Indian population by misusing taxpayer's money, and allotting money exclusively to the welfare of the indigenous Fijians. Indeed the EU FESP programme was construed as such.³⁷⁰ Such views are confirmed by the surge of nationalism that occurred within the ranks of indigenous Fijians since the 1987 coup and a significant increase in violence and human rights abuses.³⁷¹

Prime Minister Laisenia Qarase in 2000 stated that the government must ensure the “paramountcy” of the Fijian indigenous community to ensure equitable

³⁶⁶ See for example Davies, "Ethnic Competition and the Forging of the Nation-State of Fiji.", Retiere and Schurmann-Zeggel, *Conflict Prevention and Peace Consolidation in the South Pacific: Papua New Guinea, Solomon Islands, Fiji Islands*, Prasad and Snell, "Fiji: Enabling Civic Capacities for Conflict Prevention and Peacebuilding."

³⁶⁷ Hank Schouten, "Anne Frank for Te Papa," *Dominion Post*, 3 July, 2009.

³⁶⁸ Davies, "Ethnic Competition and the Forging of the Nation-State of Fiji."

³⁶⁹ Ibid.

³⁷⁰ Fiji Teachers Association: Official, "Fiji Interview 2 - Education Sector Interview".

³⁷¹ Prasad and Snell, "Fiji: Enabling Civic Capacities for Conflict Prevention and Peacebuilding."

participation in all aspects of life.³⁷² The dichotomy is that the “paramountcy” of one ethnic group over another means that racial equity is impossible. As such there are objective truths to the Indian image of victimisation. However this perception has been exaggerated to suit certain political ambitions and project an image of being the rational, fair, and just group in the debate.³⁷³

The Fijian argument centres on a lack of identity, having been crippled by colonialism and migration. Many urban Fijians grow up in a cultural vacuum, being neither Western nor Fijian, and are essentially a product of poverty and competition for limited resources.³⁷⁴ Without doubt, Fijian society and culture is small and lacks the mass media resources available to their Indian and Western counterparts.³⁷⁵ The greater concern is the perception that the Fijian traditional structures have eroded, and so too the determination to rectify this. Present democratic structures are often considered unsatisfactory to meet the developmental security needs of the population. Statistics support this, and over the last 20 years, quality of life for all Fijians has diminished greatly.³⁷⁶

5.2.2 *Arguments Against Ethnic Tensions*

The scholarly attention towards ethnic tensions is contrary to what can be observed in Fiji when travelling to local and rural communities. In most villages it is apparent that ethnic Fijians and Indo-Fijians are living in harmony. “If you go down the streets of any Fijian town, you’ll see Fijians and Indians walking together happily

³⁷² Retiere and Schurmann-Zeggel, *Conflict Prevention and Peace Consolidation in the South Pacific: Papua New Guinea, Solomon Islands, Fiji Islands*.

³⁷³ Davies, "Ethnic Competition and the Forging of the Nation-State of Fiji."

³⁷⁴ Ibid.

³⁷⁵ Ibid.

³⁷⁶ Retiere and Schurmann-Zeggel, *Conflict Prevention and Peace Consolidation in the South Pacific: Papua New Guinea, Solomon Islands, Fiji Islands*. UNDP, *Human Development Report*.

talking to one another.”³⁷⁷ Furthermore, the success of the tourism industry is based upon Fijians being known as a friendly and welcoming people, with optimism and *joie de vivre*.³⁷⁸ Of note is the fact that there hasn’t been any major racial conflict causing loss of life in the history of Fiji since the importation of indentured Indian labourers at the end of the 19th and the beginning of the 20th centuries.³⁷⁹

The interview results resoundingly confirm casual observation with 65% of respondents saying there are no ethnic tensions at the grassroots levels. Instead, ethnic tensions are caused by, and ratcheted up from politicians trying to secure more votes because of an ethnically based voting system.³⁸⁰ Self-serving politicians effectively manipulate the system to make sure they gain and retain power.³⁸¹ Unfortunately, the public is manipulated by propaganda and start following politicians that have more extremist views.³⁸² As a result, the good relations between Fijians and Indians disappear very quickly when it comes near election time because of electoral tensions. It has been suggested that ethnic-Fijian nationalists wish to create fear and division to secure their traditionalist hold on power.³⁸³ The EU agrees, placing the blame for ethnic tensions solely on the nationalist indigenous Fijians, and calls upon them to become more appreciative of the values of freedom, dignity, individual human rights and pluralism.³⁸⁴ Some interviewees do believe that there are some latent issues between Fijians and Fiji-

³⁷⁷ Fiji Independent Commission Against Corruption, "Fiji Interview 25 - Governance Sector Interview".

³⁷⁸ Ibid. Air Pacific, "Fiji Interview 32 - Tourism Sector Interview" (Nadi, 3 July, 2008).

³⁷⁹ Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview".

³⁸⁰ Ibid, Fiji Independent Commission Against Corruption, "Fiji Interview 25 - Governance Sector Interview". USP Governance School, "Fiji Interview 8 - Governance Sector Interview", Fiji Teachers Association: Official, "Fiji Interview 2 - Education Sector Interview". Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

³⁸¹ Fiji National Olympic Committee FASANOC, "Fiji Interview 21 - Ngo Sector Interview" (Suva, 26 June, 2008).

³⁸² Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview".

³⁸³ Fiji Independent Commission Against Corruption, "Fiji Interview 25 - Governance Sector Interview".

³⁸⁴ European Commission, *The European Union and the Pacific*.

Indians, otherwise there would be nothing to exploit by politicians.³⁸⁵ Consequently, ethnic tensions are “something that people can deal with themselves, if left to their own devices.” If people stop talking about ethnic tensions, then it is likely to disappear from public dialogue and debate.

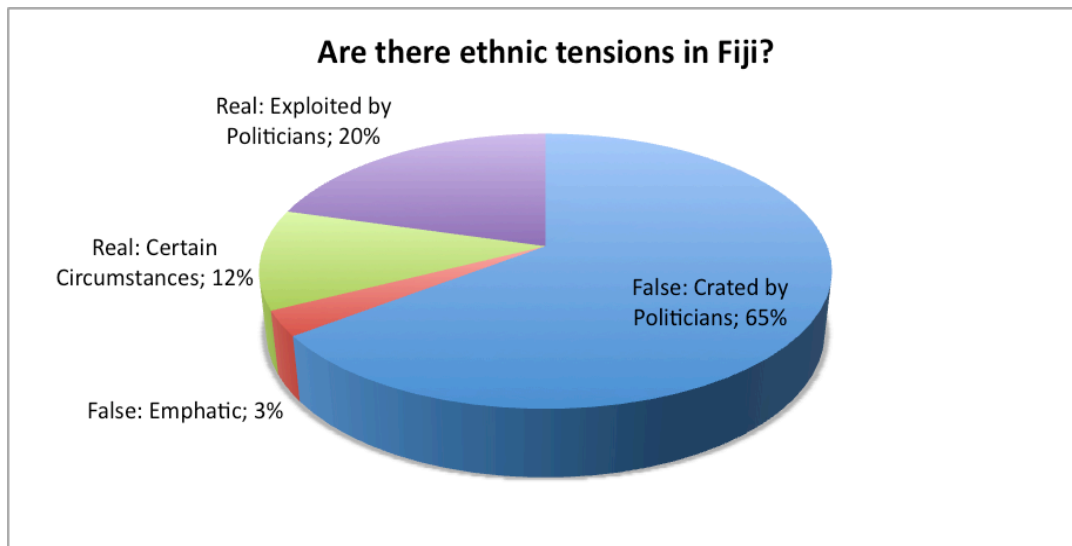


Figure 15: Are there ethnic tensions in Fiji? (Indicative Opinion)

5.2.3 *No Ethnic Tensions but Ethnic Segregation*

It is important to note that the communities live alongside each other in harmony but they rarely marry, so the two ethnicities remain very distinct.³⁸⁶ Inter-racial marriages between Indians and Fijians total only 1,344 recorded ceremonies out of 95810 in the past 25 years. Greater cultural assimilation is being achieved through inter-racial marriages which rose slowly from an average of 0.97% in the mid 80's to 1.77% for the most recent 5 year cycle.³⁸⁷ Nevertheless, at this rate of growth a unique Fijian culture that is neither Indian nor Fijian will take centuries to occur.

³⁸⁵ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

³⁸⁶ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

³⁸⁷ Births Deaths and Marriages Registrar Fiji, "Mixed Marriages," *Personal Communication*, 12 August, 2009.

Race	1984-1988	%	1989-1993	%	1994-1998	%
Fijian - Fijian	4446	42.53	4917	46.18	14500	69.27
Fijian - Fiji Indian	101	0.97	119	1.12	183	0.87
Fiji Indian - Fiji Indian	5211	49.85	4698	44.12	5226	24.96
Fijian - Other	563	5.39	659	6.19	794	3.79
Fijian Indian - Other	132	1.26	255	2.39	232	1.11
TOTALS	10453	100	10648	100	20935	100

Race	1999-2003	%	2004-2008	%
Fijian - Fijian	6542	42.85	16567	43.03
Fijian - Fiji Indian	260	1.67	681	1.77
Fiji Indian - Fiji Indian	7093	46.46	18163	47.17
Fijian - Other	983	6.44	2224	5.78
Fijian Indian - Other	393	2.58	868	2.25
TOTALS	15271	100	38503	100

Total Fijian-Fiji Indian

Marriages 1983-2008 **1344**

Grand Total 1984-2008 **95810**

Figure 16: Marriages in Fiji divided by ethnicity for the past 25 years.³⁸⁸

The ethnic segregation can also be illustrated by a story one teacher told the author.

In a mixed classroom at a Fijian school the teacher one day asked how many Fijians have Indo-Fijian friends and vice versa. Every child in the class put up their hands. However, when she ask the follow up question, how many have visited the houses of those friends, no one put up their hands.³⁸⁹

This clearly illustrates that there is cooperation, professional understanding, respect and friendship between the two main races in Fiji. However, there is very little assimilation, integration, and true cultural understanding between the races. Until

³⁸⁸ Ibid.

³⁸⁹ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

this changes, there will always be opportunities for unscrupulous politicians and leaders to utilise race for their own desires.

5.3 Influence of the Fiji Military

It has been suggested by some Fijian NGOs that the input and actions of the Fijian Military is the one constant to all the political crises of the past 25 years.³⁹⁰ Such a fact is indeed undeniable. However, consideration must be given to whether the military is working as an independent political actor or being used as a weapon by other influential parties. In 1987 and 2000 it appeared that the military was being influenced by ethnic Fijian nationalist. However, in 2006 Bainimarama announced his intention to set up a new political order in Fiji illustrating that the military is working independently today as a political group in its own right.³⁹¹

The military claim that the officer ranks are a group of people that are more open to new concepts and ideas because of their experiences on postings overseas. They have seen both the best and the worst the world can offer and arrive home with a different perception and mentality as to how things can be improved locally, which encourages them to enter the political fray.³⁹² The Fijian military hierarchy also claims that it sincerely believes in social and ethnic equality. This is because they have seen first hand the significant problems that can arise when there is inequality.³⁹³ It must be noted that is only the field officers that make the decisions to involve themselves in political affairs, and not the common soldier.³⁹⁴

³⁹⁰ Transparency International, "Fiji Interview 3 - Ngo Sector Interview". Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview". Henderson and Watson, eds., *Securing a Peaceful Pacific*.

³⁹¹ Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

³⁹² Fiji Independent Commission Against Corruption, "Fiji Interview 25 - Governance Sector Interview".

³⁹³ Ibid.

³⁹⁴ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

It seems the political landscape of Fiji will now always include the military as some level. The goal for the military is to be the guardian of Fiji, help with its political evolution, and yet remain totally independent. Such goals are contradictory.³⁹⁵ Bainimarama and the military see reforming the country as a mission. Anybody that hinders their vision is a person that needs to be suppressed. Such a black and white attitude to politics, alienates, many of Fiji's citizens and makes coercion of the population standard practice. Of course this only exacerbates the inequalities they are professing to eliminate and creates potential for more conflict.³⁹⁶

One of the military regimes more debatable moves, is its desire to create ownership, nationalist sentiment, and patriotism for being Fijian in all races that live in Fiji. To do this they have instigated compulsory singing of the national anthem at schools.³⁹⁷ The Fiji military is also 98% ethnic Fijian which could cause tension and conflict because one ethnicity is armed against another, without any political controls.³⁹⁸ Indians have no desire to join the military but some are very aware of its threat.³⁹⁹ If Fiji is to have a genuine democracy, the power of the military and its ability to intervene into national politics must be mitigated.⁴⁰⁰

³⁹⁵ Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

³⁹⁶ Crocombe, *The South Pacific*.

³⁹⁷ Fiji Independent Commission Against Corruption, "Fiji Interview 25 - Governance Sector Interview".

³⁹⁸ USP Development School, "Fiji Interview 14 - Governance Sector Interview" (Suva, 28 June, 2008).

³⁹⁹ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

⁴⁰⁰ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

5.3.1 Use as UN Peacekeepers

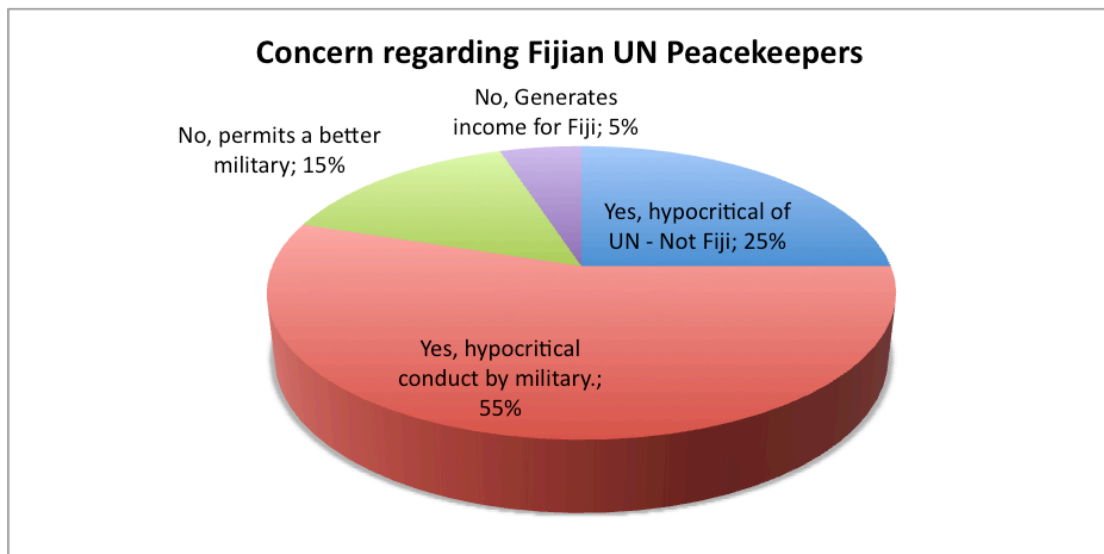


Figure 17: Do you see a conflict of interest when the regarding the UN using the Fijian military as peacekeepers? (Indicative Opinion)

The Fijian military has established an international reputation for UN peacekeeping. This shows how the military can be used for both positive and negative affairs with their actions at home being of considerable concern to many Fijian citizens.⁴⁰¹ The United Nations continues to use and supply the Fijian military because very few nations with credible disciplined forces are viewed as unbiased and prepared to help the UN with certain peacekeeping missions. There are also concerns about how to replace those Fijian soldiers if they were removed from active duty.⁴⁰² In a compromise agreement in 2008 the UN decided not to deploy Fijian peacekeepers on any new missions but would continue to deploy those already engaged.⁴⁰³

The UN has a dilemma that if it sends Fijian troops home, it is possible that newly repatriated soldiers will allow the army to exert more influence, and cause more

⁴⁰¹ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

⁴⁰² NZPA, "Diplomacy Has Failed - Mike Moore."

⁴⁰³ Ibid.

issues locally.⁴⁰⁴ The situation has divided the international community,⁴⁰⁵ and interviewees agree that the situation is quite hypocritical. However, opinion is split as to whether the Fijian military is to blame or the UN. This is because the good reputation earned by Fiji overseas comes from the soldiers on the ground, and not from the officers that make the decisions and conduct coups. The rest of the army are just following the orders of their superiors like any other army.⁴⁰⁶ Nevertheless, it is hoped that the UN will somehow use its influence with the peacekeepers to exact long lasting positive change in Fiji.⁴⁰⁷

5.4 Constitutional Crisis? (Cause of Coups)

One of the chief justifications by the Bainimarama regime to seize power is because of a constitutional crisis that enshrines an ethnically based segregated voting system in Fiji. This system is claimed to cause division and conflict, and thus stagnation of the economy and instability. Certainly, the people have not yet found a constitutional solution that responds adequately to Fiji's historic circumstances.⁴⁰⁸

Fiji has had three different constitutions since independence and with the abrogation of the 1997 constitution in April 2009. A fourth based upon the Peoples Charter is likely to be implemented by 2012. These significant moves show an inability to find a formula for the state that all citizens are happy with, and takes Fiji forward into the future. Until that formula is reached, instability and constraints upon the growth and development of Fiji will continue.⁴⁰⁹ Additionally, it is claimed by one interviewee that 90% of Fijians have never read the old constitution and thus do not

⁴⁰⁴ Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

⁴⁰⁵ NZPA, "Diplomacy Has Failed - Mike Moore."

⁴⁰⁶ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

⁴⁰⁷ Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

⁴⁰⁸ USP Governance School, "Fiji Interview 8 - Governance Sector Interview".

⁴⁰⁹ Ibid.

really know what rights and obligations they have. Without public knowledge or understanding of a constitution, there is no democratic voice of the people.⁴¹⁰

5.4.1 “Peoples Charter”

In early 2007 the Bainimarama regime launched the ‘Peoples Charter for Progress Towards a Better Fiji’. The Peoples Charter is a strategy paper designed to create debate, dialogue, and presents an opportunity to Fijians to examine a whole variety of constitutional issues and the overall direction Fiji should endeavour to pursue into the future.⁴¹¹

There are 11 key pillars established in the Peoples Charter:

1. Ensuring Sustainable Democracy and Good and Just Governance
2. Developing a Common National Identity and Building Social Cohesion
3. Ensuring Effective, Enlightened and Accountable Leadership
4. Enhancing Public Sector Efficiency, Performance Effectiveness and Service Delivery
5. Achieving Higher Economic Growth While Ensuring Sustainability
6. Making More Land Available for Productive and Social Purposes
7. Developing an Integrated Development Structure at the Provincial Level
8. Reducing Poverty to a Negligible Level by 2015
9. Making Fiji a Knowledge based Society
10. Improving Health Service Delivery
11. Enhancing Global Integration and International Relations.⁴¹²

⁴¹⁰ Fiji Independent Commission Against Corruption, "Fiji Interview 25 - Governance Sector Interview".

⁴¹¹ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview", USP Governance School, "Fiji Interview 8 - Governance Sector Interview".

⁴¹² Government of Fiji, "Fiji: Draft Peoples Charter for Change, Peace, and Progress & the State of the Nation Economy Report."

A crucial aspect of the Charter is the discussion of a new electoral system in Fiji, which eliminates the present racially based voting systems, as a way to achieve sustainable democracy and good governance.⁴¹³ It also places a large focus on eliminating the cycle of coups and through removing the social and economic circumstance that cause coups and to redefine the role of the military bringing it closer to the people. Most interviewees agree with the government's assertion that it is imperative to get rid of the old electoral system as it was a catalyst for racial division in Fiji.⁴¹⁴

Two other important discussion points in the Charter are better care and provisions for the poor, and Land reforms.⁴¹⁵ It is considered by some academics that any dialogue and discussion on such issues in Fiji can only be productive. Many of the questions raised by the Charter have not been discussed before as they were considered too sensitive.⁴¹⁶ With so many pertinent issues raised in the Charter, it is clear that the constitution needs total revision.⁴¹⁷ An interviewee from the electoral commission has found the Charter process and meetings very good and has admiration for the facilitators. He feels the process was very energetic and productive. Additionally, consultations done with the public regarding the electoral system provide excellent data for what people want.⁴¹⁸ It is hoped that the charter becomes the start of a longer process that will break the cycle of coups, and firmly place Fiji on a stable political path.⁴¹⁹

⁴¹³ Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview", Government of Fiji, "Fiji: Draft Peoples Charter for Change, Peace, and Progress & the State of the Nation Economy Report."

⁴¹⁴ Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview".

⁴¹⁵ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview", Government of Fiji, "Fiji: Draft Peoples Charter for Change, Peace, and Progress & the State of the Nation Economy Report."

⁴¹⁶ USP Governance School, "Fiji Interview 8 - Governance Sector Interview".

⁴¹⁷ Ibid.

⁴¹⁸ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

⁴¹⁹ Ibid.

Unfortunately, the People's Charter has a lot of procedural flaws. In particular, not all political actors are taking part in open dialogue and debate with all concerned parties is not occurring. If this doesn't change, then there is very little chance that the Charter, or the constitution that maybe derived from it, will have a significant long term impact, and may indeed encourage the cycle of coups to continue.⁴²⁰ The need for a People's Charter and constitutional reform must be decided by the majority of the public and not just the military.⁴²¹ All political parties were invited to help with the consultations but many refused in protest that anything introduced by the military regime is fundamentally bad, and illegal under law.⁴²²

Another concern was how the Charter was rapidly created and presented to the public, leaving little opportunity for public analysis and discussion.⁴²³ The objections to the Charter are not based upon its content and proposals, but to the process of how it is presented to the public. The larger argument is how it will be successfully placed into law with no democratically elected government.⁴²⁴ International and internal opposition towards the Charter appears justified, because it seems the Fijian people are being forced to accept something unfamiliar without true consultation and consideration. The irony is that any hindrance to the process causes delay to a restoration of democracy and if embraced could be the ideal way to break the cycle of coups, and unite Fiji.⁴²⁵

Overall, the content of the Charter is considered very good by some people, and there is a hope that if opposition parties actually read it, they may feel a greater

⁴²⁰ USP Governance School, "Fiji Interview 8 - Governance Sector Interview".

⁴²¹ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

⁴²² Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

⁴²³ USP Governance School, "Fiji Interview 8 - Governance Sector Interview".

⁴²⁴ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

⁴²⁵ Long, "Fiji Needs Help, Not Hindrance."

willingness to engage and support its efforts.⁴²⁶ The People's Charter needs to be explained more clearly and its intent known to greater numbers of the Fijian public. It is an ambitious project, and if implemented could achieve the challenging goal of ethnic harmony in top level government, and a vision for a stable future not mired by coups.⁴²⁷

5.4.2 *A New Constitution? Abrogation of the Old: April 2009*

In July 2009, Bainimarama announced his desire to implement a new Constitution on the basis of the People's Charter. At the Constitution's core will be the abolishment of the racially based electoral system and replace it with a 1 person 1 vote proportional system. Bainimarama is also interested in reducing the voting age from 21 to 18, reviewing the number of MPs and the need for a senate or upper house.⁴²⁸ Accordingly the concerns and debates about public involvement with the Charter become more critical. If the proposed constitution doesn't gain the involvement of a majority of the population, then it will not evolve organically and result in a document as flawed as its predecessor. This will only encourage counter-coups to force additional reform and change.⁴²⁹ However, with elections now delayed until 2014, there is more time to have consultations, debate, compromise, and include opinions of diverse groups that will lead to a valuable and integrated constitution that caters to the widest demographic possible. Ideally, this long period of discussion, public and civic education, must not linked to the aims of the Bainimarama regime or any other lobby group.

This unfortunately is an unlikely scenario given the current political climate, and extreme media censorship that has been imposed throughout 2009.⁴³⁰ The

⁴²⁶ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

⁴²⁷ Long, "Fiji Needs Help, Not Hindrance."

⁴²⁸ Bainimarama, "A Strategic Framework for Change".

⁴²⁹ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

⁴³⁰ USP Governance School, "Fiji Interview 8 - Governance Sector Interview". SEE MEDIA SECTION

international response also hinders the opportunity for the Bainimarama regime to receive sound advice.⁴³¹ If international parties swamped the regime with offers of assistance from constitutional experts, then the speed in which the constitution is implemented and the overall quality of the final product would be considerably enhanced. Consequently, the prime reason for delaying elections until 2014 would be negated, and earlier elections that fulfil all the regimes desires would be possible.⁴³² If these things do not happen, then the constitution has the potential to have the same fundamental flaw that exists in the People's Charter.

5.4.3 Electoral System Debate

The desire and debate to change the electoral system in Fiji has been ongoing for a number of years. In 1995 the government debated many options without finding a satisfactory solution. In 1997 the new Fijian constitution implemented a complex proportional electoral system which was a result of much compromise, leaving no lobby group satisfied. The electoral system was designed to primarily defuse the ethnicity concerns of the previous system. It had the opposite effect with race politics proving to be immensely useful when it came to securing seats in parliament.⁴³³

This ethnic division and racial tensions caused by the electoral system is a significant reason for change. However, the electoral commission illustrates other significant issues. The electoral system was a preferential ranked transferable vote system that considerably distorted raw election results. In 1999 the FLP party gained a third of number one preference votes and ultimately ended up with an absolute majority and power. Meanwhile another party who also gained a 1/3 of number 1 votes a ended up with 5.2 times less seats than the ruling FLP. A third

⁴³¹ Long, "Fiji Needs Help, Not Hindrance."

⁴³² Ibid.

⁴³³ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

party got almost a 1/7 of the electoral vote and failed to gain a single seat in parliament.⁴³⁴ Therefore the system was not providing the proportional representation the people voted for.⁴³⁵ The 2001 election results were also unrepresentative if examining the raw results. It is clear that it was only by virtue of manipulation of the transference system that Laisena Qarase gained power. Fiji was therefore stuck with an electoral system that was unpopular conceptually and malfunctioning in real world trials.⁴³⁶ In essence, “equality was not being allowed to reign.”⁴³⁷ The democratic systems in place from the 1997 constitution were the very systems that were causing Fiji’s greatest difficulties.

Spoiled ballot inadmissibility rates were also quite unacceptable to the electoral commission surpassing 9% at the last election, and is resolved not to run another election based on that system as codified by the 1997 constitution.⁴³⁸ A voting system that is simple for the Fijian public to understand is paramount.⁴³⁹ The proposed system is a one-person one-vote proportional candidate system. The proposed ballot paper will have a list of candidates with tick boxes beside the names and electors must select and tick one. The previous paper had two sections in which the voter was asked to vote for a party, and thus agree with that party’s candidate, and transference system if their candidate is unsuccessful, or rank all the candidates independently, even if the elector has never heard of the candidate or the party they represent.

⁴³⁴ Ibid.

⁴³⁵ Ibid.

⁴³⁶ Ibid.

⁴³⁷ Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

⁴³⁸ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

⁴³⁹ Ibid.

HOUSE OF REPRESENTATIVES
2006

BALLOT PAPER

Counterfoil










GENERAL ELECTION
SUVA CITY OPEN CONSTITUENCY

You may vote in one of two ways

Do NOT do both

EITHER







By placing a single tick in one and only one of these boxes to indicate which party's or candidate's preference you wish to adopt as your vote

	or		or		or
SWANN		NAPF		UPP	
	or		or		or
SDL		FLP		NFP	
	or		or		
COIN		NVTLP		JFP	

OR

Number the boxes from 1 to 6 in the squares next to the symbols of each of the candidates in your order of preference

In this case number every box to make your vote count

	Ofa M P SWANN	
	Epeli Gavidu GANILAU	
	Inoke Seru TIKOTIKOCA	
	Misaele WELEILAKEBA	
	Tom RICKETTS	
	Attar SINGH	

Voter's Number in electoral roll

(longer)	(shorter)
----------	-----------

Figure 18: Actual Speciman Paper From the 2006 General Elections







<p>FIJI HOUSE OF REPRESENTATIVES</p> <p>2014</p> <p>BALLOT PAPER</p> <p>GENERAL ELECTION</p> <p>SUVA CITY CONSTITUENCY</p> <p>HOW TO VOTE</p> <p>Place a tick in one and only one of the boxes to indicate which candidate you wish to vote for.</p>	Ofa M P SWANN		JFP	
	Epeli Gavidu GANILAU		FLP	
	Inoke Seru TIKOTIKOCA		SDL	
	Misaele WELEILAKEBA		NVTLP	
	Tom RICKETTS		UPP	
	Attar SINGH		NAPF	

Figure 19: Based upon information collected, authors rendition of the proposed ballot paper for the 2014 elections.

It was clear to the electoral commission when interviewed in June 2008 that it would be impossible to hold elections in 2009 as promised to the EU and the PIF. The only way that could occur was under the old electoral system, which was a situation unacceptable to both the military regime and the commission.⁴⁴⁰ The need for electoral reform is supported by the EU.⁴⁴¹ However the EU qualifies its support stating that it is unfortunate that such a reform process is being advanced by the military who has never attempted to integrate all ideas of society.⁴⁴²

The necessity to change the electoral system is a view held almost universally regardless of whether a person supports or opposes the present regime.⁴⁴³ The electoral commission is confident that if a referendum was held in Fiji about the electoral system, an overwhelming majority would vote for total revision. Fijians, don't want to be segregated into Indian and ethnic Fijian at the political level. Equality is desirable at all levels.⁴⁴⁴ The debate continues however, when examining if the proposed system would be a suitable replacement.

5.4.4 Leadership and Capabilities Gap

Many interviewees suggested that a lack of leadership direction is the most critical thing that needs to be solved in Fiji today.⁴⁴⁵ This is not necessarily a direct criticism of the present regime, but a concern that is more endemic and long lasting. The direction of a country needs to come from political leadership that has a realistic and consistent vision and provides for the immediate needs of the people.

⁴⁴⁰ Ibid.

⁴⁴¹ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

⁴⁴² Ibid.

⁴⁴³ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview". Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview". ECREA, "Fiji Interview 13 - Ngo Sector Interview" (Suva, 24 June, 2008), Howards Law Firm, "Fiji Interview 7 - Governance Sector Interview" (Suva, 20 June, 2008). Leader of the Opposition, "Fiji Interview 31 - Governance Sector Interview" (Lautoka, 2 July, 2008), Citizens Constitutional Forum, "Fiji Interview 27 - Political Sector Interview" (Suva, 1 July, 2008).

⁴⁴⁴ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

⁴⁴⁵ Oxfam, "The Fijian Sugar Industry: Investing in Sustainable Technology."

This will create stability to implement long term strategic and developmental plans. Fiji has had numerous constitutional crises since 1987 illustrating that the political leadership is not providing for all the citizens of Fiji. Many are disenchanting and disenfranchised from government policies. Coup regimes unfortunately, only deepen the political vacuum, and cause greater instability both domestically and for the region. The blame game remains vicious and no politician wants to take ownership for the past failures.⁴⁴⁶ One of the greater assets Fiji has in times of instability is a robust civil service that continues to function regardless of personal and regime changes in government. However, without the government functioning properly there is a fundamental gap in leadership and continuity.⁴⁴⁷

One of the potential reasons for the vacuum of quality leadership in Fiji is that those who are most respected and qualified to take leadership positions are not prepared to volunteer themselves because of the constant flux of the political system.⁴⁴⁸ Negative public exposure associated with political office also discourages many. For example, one commentator declares politicians are not doing their jobs and are instead “prancing about like peacocks,”⁴⁴⁹ talking and postulating but doing little that is practical. Fiji’s civil society appears to be full of educated and selfless people. It is crucial that Fiji encourages educated people with integrity and vision in leadership positions, to restore respect to the political sphere.⁴⁵⁰

Bainimarama conducted his 2006 coup because he felt that many ideals were not occurring in Fiji. His subsequent conduct shows that his vision remains unchanged. But after 2 years in power he has yet to accomplish many goals. Consequently,

⁴⁴⁶ Prasad, "Darkness Surrounds New Path in Fiji."

⁴⁴⁷ National Council for Women in Fiji, "Fiji Interview 5 - Ngo Sector Interview". Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁴⁴⁸ Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

⁴⁴⁹ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁴⁵⁰ Ibid.

Bainimarama has become the person he initially condemned.⁴⁵¹ Bainimarama has proven very poor at cultivating allies, gathering support, and more profoundly managing the economy.⁴⁵² He is determined to accomplish his mission of reforming the Fiji constitution, but his single minded determination is leading Fiji into further economic trouble and international isolation.⁴⁵³ As opposition grows Bainimarama's need to rule by force increases. This causes greater malcontent as well as regime weakness.⁴⁵⁴ Fiji's first priority must be to have a stable government that has the confidence of the people and the capacity to make long term strategic decisions on the direction of Fiji. Simply, this cannot happen with an interim regime, no matter how idealistic and virtuous its goals.⁴⁵⁵

5.4.5 *Allegations of corruption - ethnocentricities of the SDL Party*

The SDL party under the leadership of Laisenia Qarase has held power in Fiji since 2000. It is a proudly indigenous Fijian party which the military claimed had ethno-nationalist tendencies, and thus caused dissent, unequal development, and unequal opportunities in Fiji. Although democratically elected, the party did not adhere to democratic principles. One sign of corruption was the political pandering of the Qarase government to the Great Council of Chiefs, building a F\$30m new headquarters for them in thanks for their tacit support of the SDL party.⁴⁵⁶ The GCC were "cheerleaders and fervent supporters"⁴⁵⁷ of Qarase. The Qarase elected government wanted to seize coastal waters and foreshore for ethnic Fijians. This showed nationalist traits, and a lack of concern for the impact this could have had upon the economy, in particular the fisheries and tourism sectors.

⁴⁵¹ Ibid.

⁴⁵² Murphy, "Coup Leader Keeps Iron Grip on Fiji."

⁴⁵³ Ibid.

⁴⁵⁴ Ibid.

⁴⁵⁵ Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview".

⁴⁵⁶ Prasad, "Darkness Surrounds New Path in Fiji."

⁴⁵⁷ Ibid.

The Qarase government was also quick to accede to a GCC request to transfer all lands owned by the crown to the NLTB for exclusive ownership by indigenous Fijians. Indigenous Fijians already had inalienable rights to 82.5% of Fijian land. With the transfer of crown lands, this would increase to 92%.⁴⁵⁸ This proposal was very controversial and against the conclusions of a commission of enquiry.⁴⁵⁹ Nevertheless, the bill was rushed through parliament, allowing for only 4 days of public submissions. The rationale for the government actions was that a large number of indigenous Fijians remained landless and these actions would help revive the economy. However, the actions meant that the government ignored the plight of all other communities in Fiji who comprise 53% of the total population, especially the indo-Fijian sugarcane farmers, already concerned about the expiry of ALTA leases, and it sends the wrong message to foreign investors, making the economic argument suspect.⁴⁶⁰ At the very least, it questions SDLs commitment to uplifting the quality of life for all Fijians.⁴⁶¹

⁴⁵⁸ Mahendra Reddy and Padma Narsey Lal, "State Land Transfer: Issues and Implications," *Pacific Economic Bulletin* 17, no. 1 (2002).

⁴⁵⁹ Ibid.

⁴⁶⁰ Ibid.

⁴⁶¹ Lal and Reddy, "Old Wine in a New Bottle? Proposed Sugar Industry Restructuring and Land Conflict in Fiji." Reddy and Lal, "State Land Transfer: Issues and Implications."

5.4.6 Support for present regime – coup rationale

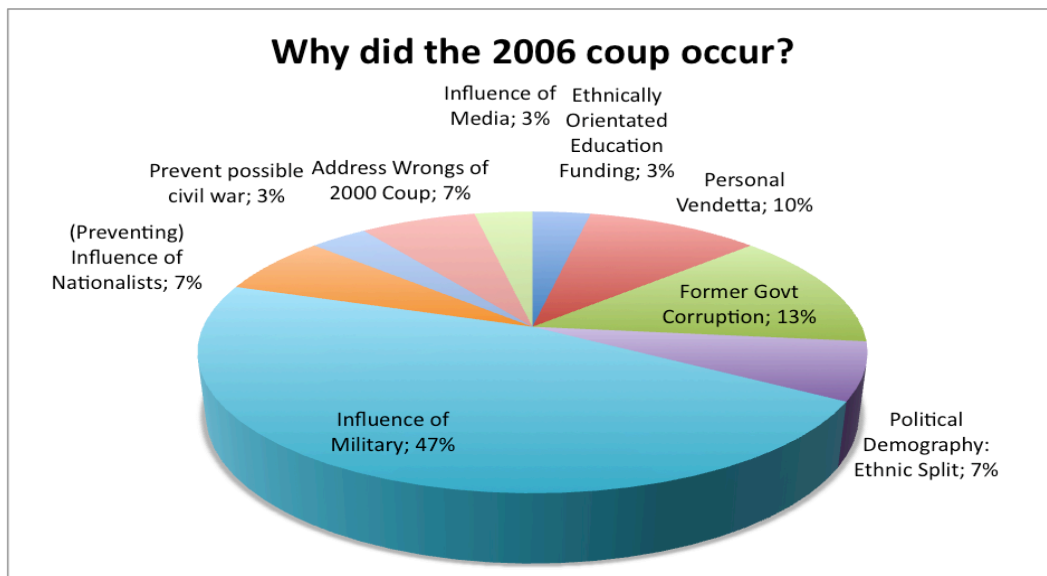


Figure 20: Why did the 2006 coup occur in Fiji? (Indicative Opinion)

Since independence, Fijian nationalists have manipulated the concept of *vanua*, and let it infiltrate politics and some members of the military. *Vanua*, literally means land in English but is a holistic concept referring to the Fijian people, their traditions, customs, beliefs and values. It covers any person or institution that helps achieve harmony, solidarity, prosperity and provides a sense of identity and belonging.⁴⁶² *Vanua* “is an extension of the concept of the self.”⁴⁶³ The nationalist SDL party is considered part of the *vanua*, and even has the word in its party name.

The left leaning Indian dominated FLP was thought to be in conflict with *vanua*, and so when it won the elections of 1987 & 1999 helped cause the coups of 1987 & 2000. When nationalist power was not retained by the ballot box other actions

⁴⁶² Asesela Ravuvu, *The Fijian Way of Life* (Suva: Institute of Pacific Studies of the University of the South Pacific, 1983), Lawson, *Tradition Versus Democracy in the South Pacific*. Ministry of Tourism: Fiji, "Fiji Interview 1 - Tourism Sector Interview". Fiji Independent Commission Against Corruption, "Fiji Interview 25 - Governance Sector Interview".

⁴⁶³ Ravuvu, *The Fijian Way of Life*.

became necessary. A military supporter suggests the coup of 2006 was reformist aimed at restoring balance, “sanity and normality to politics”.⁴⁶⁴ As such the 2006 coup in Fiji is different, a reversal of the previous coups to a more Indian controlled and supported coup. An Indian columnist in New Zealand wrote “Mr Bainimarama’s bold stand is worthy of support because he wants to impact positively on the lives of ordinary Fijians and Indo-Fijians who have needlessly suffered too much for too long.”⁴⁶⁵

Although there appears to be more support from the Indian population in Fiji, there are many Indians opposed to the regime, likewise there are ethnic Fijians supportive of the coup.⁴⁶⁶ Indeed, results of who supports or opposes the present regime show that this coup is not a racial struggle at all. This coup is more about morality, constitutional concerns, corruption, electoral reforms and democratic ideals.⁴⁶⁷ Therefore, the issues of the 2006 coup are more complex than previous coups.⁴⁶⁸ Other Fijians protest. “A coup is always a coup regardless of what the intentions are,”⁴⁶⁹ a coup harms the moral fabric of society. It is always against democratic principles and thus illegal and wrong. Stipulating that one coup is different to another, is simply a way of justifying illegal activities.⁴⁷⁰

⁴⁶⁴ Fiji Independent Commission Against Corruption, "Fiji Interview 25 - Governance Sector Interview".

⁴⁶⁵ Prasad, "Darkness Surrounds New Path in Fiji."

⁴⁶⁶ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

⁴⁶⁷ Ibid.

⁴⁶⁸ Ibid.

⁴⁶⁹ National Council for Women in Fiji, "Fiji Interview 5 - Ngo Sector Interview".

⁴⁷⁰ Ibid.

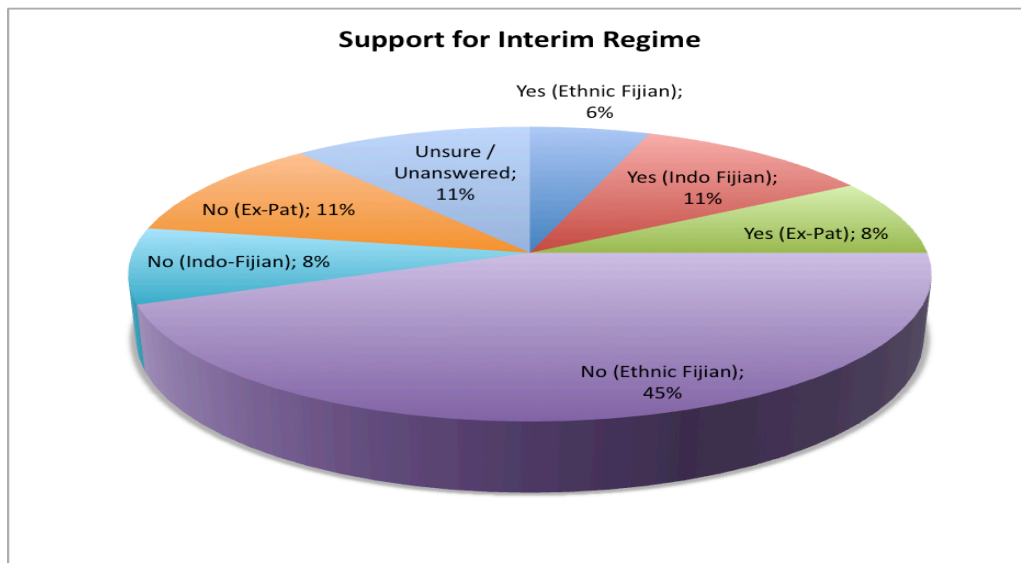


Figure 21: Do you support the Interim Regime? [Implicit] (Indicative Opinion)

When interviewing subjects in Fiji the indicative results were profound with 63% of respondents against the regime and only 25% in favour. Ethnic Fijians were overwhelmingly against the regime. Opinion from other ethnicities was divided. Overall, it appears that support for the interim regime is decreasing as time progresses. With the 2009 Easter abrogation of the constitution, Mahendra Chaudhry leader of the FLP denounced the regime. This is a significant move, considering he was once a member of the member of the interim regime in 2007. It reflects a general change in thinking by the Indian community, from being in favour to opposed.⁴⁷¹

Crosbie Walsh an academic at the University of the South Pacific summed it up quite succinctly, stating that what Bainimarama is trying to do is good. The problem lies in how he is trying to enact change.⁴⁷² Bainimarama's actions show that his

⁴⁷¹ Murphy, "Coups Leader Keeps Iron Grip on Fiji."

⁴⁷² Fiji Daily Post, "'Lay Off Bainimarama, He's Doing It for Fiji'."

resolve to accomplish his mission has not dissipated despite setbacks. If anything he has become more resolute.⁴⁷³

The regime needs an exit strategy, a centrepiece legislation that allows them to show to the Fijian people that they have achieved their intentions, and left Fiji better prepared for the future. The People's Charter is clearly Bainimarama's exit strategy. Therefore, if international agencies want a quicker restoration of democratic governance, and a way to prove how genuine Bainimarama is, then most prudent approach would be to assist the regime with expertise, advice, and ways of implementing the Peoples Charter.⁴⁷⁴ The problem with the present regime is that there is no guarantee of consistency in executive decisions, nor any checks on his power to ensure that moneys are allocated properly. It is possible for him to decide a direction one day and reverse it the next.⁴⁷⁵ This causes a loss in investor confidence and donor agencies are right to be cautious to allocate any funds to the regime without knowing where those funds may go.⁴⁷⁶

The reactionary and blunt personality of Bainimarama means that he does not have strong diplomatic skills. He attacks when threatened and makes it easy for observers to demonise him.⁴⁷⁷ "His manner is atrocious and he's very clumsy in the way he goes about things."⁴⁷⁸ It is claimed that Bainimarama doesn't want to be in power at all, but feels it is his duty to create reform before returning power to the people.⁴⁷⁹ The ideas, and much of the legislation proffered by the interim regime is quite

⁴⁷³ Prasad, "Darkness Surrounds New Path in Fiji."

⁴⁷⁴ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

⁴⁷⁵ Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview".

⁴⁷⁶ Ibid.

⁴⁷⁷ Fiji Daily Post, "'Lay Off Bainimarama, He's Doing It for Fiji'."

⁴⁷⁸ Ibid.

⁴⁷⁹ ECREA, "Fiji Interview 13 - Ngo Sector Interview", Good Neighbour International, "Fiji Interview 15 - Ngo Sector Interview" (Suva, 25 June, 2008). Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview", Fiji Independent Commission Against Corruption, "Fiji Interview 25 - Governance Sector Interview".

revolutionary, and seems to be aimed at creating true ethnic harmony and political power sharing.⁴⁸⁰ One NGO interprets the coup as fulfilment of Fiji's desire to stand on its own two feet and to put in processes to make it a mature democracy. This would be both a strength and a good thing ultimately for the country.⁴⁸¹ However, another claims that Bainimarama is delusional,⁴⁸² and a few stated their concern that he could easily become a Pacific version of Robert Mugabe in Zimbabwe.⁴⁸³

5.4.7 Suppression of Opposition Opinions

In March 2009 it was reported that politically motivated attacks were on the rise in Fiji, with several individuals being subjected to intimidation and vandalism.⁴⁸⁴ According to Graham Leung, it was obvious that these acts were being perpetrated by those acting on behalf of the interim government, and that the ones being singled out are those who are standing up and speaking for democracy.⁴⁸⁵ Leung was reported to say that "This is the regime's way of shutting down dissent and blanking out any alternative view that is not the governments own."⁴⁸⁶

In April 2009, with the abrogation of the 1997 constitution, martial law was imposed a drastic and temporary measure that bans all public meetings and imposes strict media censorship. The wide ranging and arbitrary powers of the military to decide what the Fijian people should be told, is a direct violation of the very

⁴⁸⁰ Long, "Fiji Needs Help, Not Hindrance."

⁴⁸¹ Good Neighbour International, "Fiji Interview 15 - Ngo Sector Interview".

⁴⁸² Mark 1 Appreal, "Fiji Interview 16 - Economy Sector Interview" (Suva, 25 June, 2008).

⁴⁸³ International School Suva, "Fiji Interview 19 - Education Sector Interview", Fiji Methodist Church: Social Services, "Fiji Interview 6 - Ngo Sector Interview" (Suva, 20 June, 2008).

⁴⁸⁴ AAP, "Political Rock Attacks in Fiji," *Stuff.co.nz* (2009), <http://www.stuff.co.nz/world/south-pacific/2266541/Political-rock-attacks-in-Fiji>.

⁴⁸⁵ Ibid.

⁴⁸⁶ Ibid.

democratic rights the military claims it wishes to restore.⁴⁸⁷ A military spokesman declared that the censorship was designed to change the “highly negative and sensationalised news” of the past.⁴⁸⁸ The suppression of the media is having a drastic effect upon its abilities to produce fair impartial critiques of present political issues.

It is quite noticeable in the Fiji Times that most of the news articles now printed are bland feature articles that have little real human interest or journalistic depth. The Fiji times refuses to print anything that directly supports the regime nor is it allowed to print anything that will show the regime in a bad light, meaning that healthy political dialogue is non-existent. Some articles have an obvious propaganda slant with the Fiji Times publishing a string of articles promoting the virtues of rural education to encourage more teachers into rural areas.⁴⁸⁹ A significant concern resulting from the media suppression and increasing isolation of the regime is that there are less people able to give constructive advice to the present regime. The regime spreads positive rhetoric while being unable to satisfactorily address the dire economic and social situations found in Fiji.⁴⁹⁰

On July 1st 2009, it was announced that the ‘Public Emergency Regulations’ that have suppressed media freedoms will stay in place for a further 6 months. Such a long extension is claimed by the Pacific Freedom Forum (PFF) as a sham, and confirms that the restrictions have nothing to do with a national emergency, and all to do with retaining power and suppressing resistance.⁴⁹¹ The PFF predicts that this

⁴⁸⁷ Michael Field, "Fiji Editor Speaks Out," *Stuff.co.nz*(2009), <http://www.stuff.co.nz/world/south-pacific/2460745/Fiji-editor-speaks-out>.

⁴⁸⁸ ———, "Fiji Extends Martial Law," *Stuff.co.nz*(2009), <http://www.stuff.co.nz/world/south-pacific/2385413/Fiji-extends-martial-law>.

⁴⁸⁹ See EDUCATION CHAPTER (Campaign for more rural Teachers)

⁴⁹⁰ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁴⁹¹ Pacific Freedom Forum, "Fiji's Regime Urged to Lift Per Restrictions," *Scoop Independent News*,(2009), <http://www.scoop.co.nz/stories/print.html?path=WO0907/S00067.htm>.

will not be the last extension, and holds fears for the future. Without freedom of the press there can be no genuine dialogue, debate and criticism about the way to build a better Fiji.⁴⁹² A military spokesman countered by hailing the success of censorship commenting that “The absence of politics from the national agenda, is contributing positively to the peace and stability of the nation.”⁴⁹³ Certainly the media sanctions are a success in Fiji, and to gather news about what is occurring politically, can only be sourced from personal blogs and sites like twitter. The success can also be attributed to the physiological concerns of many citizens more worried about their next meal and finding shelter rather than democratic freedoms.⁴⁹⁴

5.5 *International Response towards Interim Regime: Tie between Aid and Democracy*

5.5.1 *International Reaction: Sanctions upon Fiji*

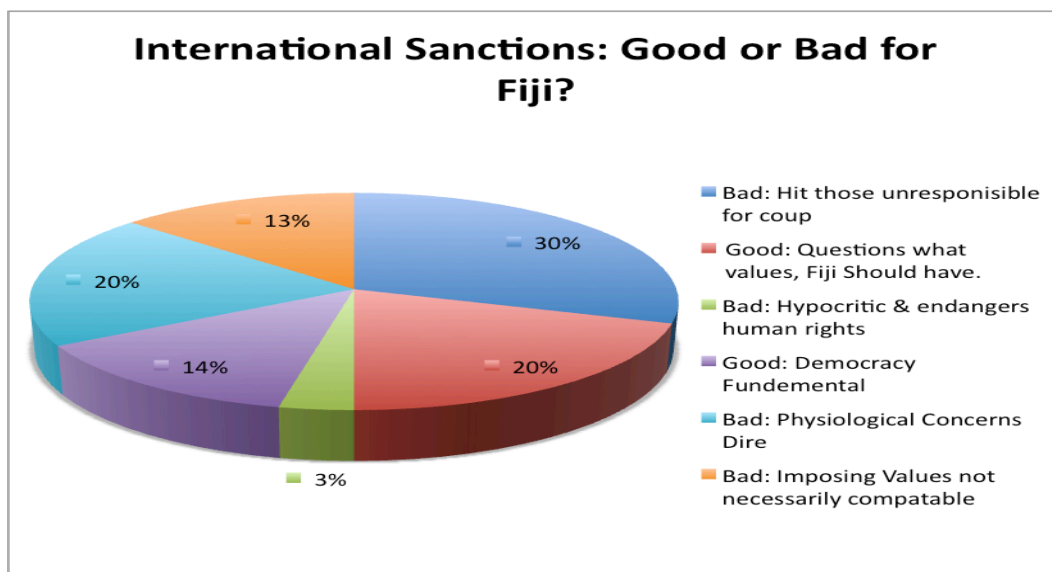


Figure 22: Are International Sanctions Good or Bad for Fiji? (Indicative Opinion)

⁴⁹² Ibid.

⁴⁹³ Michael Field, "Martial Law Working Says Fiji," *Stuff.co.nz* (2009), <http://www.stuff.co.nz/world/south-pacific/2487739/Martial-law-working-says-Fiji>.

⁴⁹⁴ Prasad, "Darkness Surrounds New Path in Fiji."

With every coup and political crisis in Fiji, the standard international response is to impose economic and political sanctions. This allows these governments to claim they are taking hard and decisive action against the perpetrators of the crisis. Most Fijians acknowledge that the present political situation is of significant concern. However, only some welcome the use of sanctions and other forms of international pressure to help promote dialogue and a restoration towards an inclusive, open, and transparent government.⁴⁹⁵ Sanctions are proven only to be successful in less than a third of cases,⁴⁹⁶ and they do little to help Fiji address the root causes of the problem and come closer to a viable long-term solution.⁴⁹⁷ On the contrary, it increases the economic hardship upon poor Fijians, and has the potential to rapidly hamper Fiji's economy to an extent that it may not be able to recover. Australian Foreign Minister Stephen Smith agrees that the Fijian economy is in danger of 'falling over', yet defends the actions by Australia and NZ saying that Fiji "should be treated like pariahs."⁴⁹⁸ He further defends the sanctions saying that don't directly target any economic activity.

Sanctions, no matter how 'smart' are punitive and can be labelled 'megaphone diplomacy.' Mike Moore, former NZ Primer Minister & WTO Head believes that the present crisis in Fiji is simply a culmination of many diplomatic failures over several decades.⁴⁹⁹ To many Fijians, the sovereignty and integrity of Fiji is very important, and they would like to handle their own affairs instead of being forced to make decisions because of direct foreign influence.⁵⁰⁰ A cooperative and

⁴⁹⁵ Ministry of Tourism: Fiji, "Fiji Interview 1 - Tourism Sector Interview". Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

⁴⁹⁶ Gary Clyde Hufbauer, Jeffrey Schott, and Kimberly Ann Ellion, *Economic Sanctions Reconsidered: History and Current Policy* (Washington D.C.: Institute for International Economics, 1985).

⁴⁹⁷ Long, "Fiji Needs Help, Not Hindrance."

⁴⁹⁸ NZPA, "Diplomacy Has Failed - Mike Moore."

⁴⁹⁹ Ibid.

⁵⁰⁰ Ministry of Tourism: Fiji, "Fiji Interview 1 - Tourism Sector Interview".

informative stance by international agencies would probably be more successful in Fiji's case. Some Fijians find the aid donors insistence on democratic values above everything else, including economic reform, difficult to understand.⁵⁰¹ The interview results are clear, although different reasons are given, two thirds of interviewees felt that sanctions were doing more harm than good in Fiji.

5.6 EU Influence / Actions towards Fiji's Governance

In relation to the governance and democracy of Fiji, the EU is bound by the Cotonou Agreement and must act in accordance specifically with Articles 8, 11, and 96. Article 11 stipulates that both parties need to “pursue an active, comprehensive and integrated policy of peace-building and conflict prevention and resolution” and prevent conflicts at an early stage by “Addressing their root causes in a targeted manner.”⁵⁰² Article 8 states,

The Parties shall regularly engage in a comprehensive, balanced and deep political dialogue leading to commitments on both sides....The dialogue shall also encompass a regular assessment of the developments concerning the respect for human rights, democratic principles, the rule of law and good governance.⁵⁰³

Chapter 7 of the Cotonou agreement went to lengths to define good governance legally, encompassing every aspect of the states dealings with civil society. Included in its definitions, were the normative principles of respect for law and the independence of the judicial system. and upholding human rights principles

⁵⁰¹ Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

⁵⁰² European Commission, "Cotonou Agreement." EU2009.CZ, "Declaration by the Presidency on Behalf of the Eu on Recent Developments in Fiji," ed. Ministry of Foreign Affairs (Prague: Government of the Czech Republic, 2009), Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

⁵⁰³ European Commission, "Cotonou Agreement."

according to the UN universal declaration of Human Rights in 1948.⁵⁰⁴ It also calls for the state to be transparent, accountable, participatory, and equitable.

The EU has been outspoken against the present situation in Fiji responding to its philosophies and procedural breaches of international law.⁵⁰⁵ The military takeover in Fiji of 5th December 2006 constituted, in the EU's view, a breach of all three fundamental principles of the Cotonou agreement,⁵⁰⁶ and also its beliefs as defined by normative actor theory.

5.6.1 Article 96: Negotiations

Article 96 specifically sets out a process to follow when a party fails in its obligations.⁵⁰⁷ Article 96 negotiations were enacted by the EU after the coup of December 2006 and started in February 2007. These negotiations were the EU orientated way of trying to resolve the political situation and encourage a restoration towards a democratically elected government. Although the EU – Fiji partnership is largely apolitical, the need to engage in political work at the delegation almost quadrupled after the 2006 coup with its necessity to continually monitor Article 96 commitments.⁵⁰⁸ Article 96 of the Cotonou Agreement stipulates:

2a) If a Party considers that the other Party has failed to fulfill an obligation stemming from respect for human rights, democratic principles ... it shall invite the other Party to hold consultations that focus on the measures taken or to be taken by the party concerned to remedy the situation.⁵⁰⁹

⁵⁰⁴ Ibid, Holland, *The European Union and the Third World*, United Nations, "The Universal Declaration of Human Rights," (1948), <http://www.un.org/en/documents/udhr/>.

⁵⁰⁵ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview", Fiji Independent Commission Against Corruption, "Fiji Interview 25 - Governance Sector Interview".

⁵⁰⁶ Delegation of the European Union for the Pacific, "Eu-Fiji Talks in Brussels," *News@EU Fiji April-June 2007*(2007), [http://www.delfi.ec.europa.eu/en/e-bulletin/News@EU%20April-June07%20\(Vol%202\).htm](http://www.delfi.ec.europa.eu/en/e-bulletin/News@EU%20April-June07%20(Vol%202).htm).

⁵⁰⁷ ———, "Fiji Interview 17 - Governance Sector Interview".

⁵⁰⁸ Ibid.

⁵⁰⁹ For Full Text of Article 96 see appendices

The procedure draws criticism from some circles, suggesting that the EU takes an approach that is too soft and takes too long before reasonable action occurs. The EU maintains that it is more beneficial to stay engaged with a country rather than isolate the regime.⁵¹⁰ Through the Article 96 negotiations, the EU made a genuine attempt at creating a realistic roadmap towards the restoration of democracy, creating a timeline so that elections would be held not later than March 2009.⁵¹¹ At consultations in Brussels on 18 April 2007, Fiji agreed to the March election date thereby committing to hold free and fair parliamentary elections within 24 months. The EU warned that the importance of and the implementation of this commitment by Fiji will influence the nature and scope of whatever EU measures are taken regarding its developmental assistance programme. If progress was not made, it was decided that the EU Sugar Adaptation Strategy funding would be stalled. Consultations continued until October 2007, and the European Commissioner for development and cooperation Louis Michel expressed satisfaction at the process, stating it there was constructive dialogue with the interim regime.⁵¹² The European Union offered to provide technical assistance for Fiji's roadmap towards democracy utilising its experience as electoral consultants on technical matters from the previous two elections in Fiji. With this experience the EU has an appreciation for the need of electoral reforms. However, the EU felt that creating electoral reforms before installing a new democratic government was constitutionally impossible.⁵¹³ Consequently, the timeline made no allowance for the People's Charter or assisting with electoral reforms even though these moves were viewed as by Michel as "a positive development which offers the opportunity of finding a sustainable solution to Fiji's problems."⁵¹⁴ The EU advice on the electoral reforms was welcomed by the

⁵¹⁰ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

⁵¹¹ ———, "Eu-Fiji Talks in Brussels."

⁵¹² ———, "Sugar Fiji: National Adaptation Strategy," (2007), <http://www.delfi.ec.europa.eu/en/achievements/sugar-fiji.htm#>.

⁵¹³ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

⁵¹⁴ Delegation of the European Union for the Pacific, "Sugar Fiji: National Adaptation Strategy."

Fiji Electoral Commission, but also was considered unrealistic given the interim regime's determination to enact change.⁵¹⁵ Bainimarama was equally unrealistic promising that elections could take place by March 2009. He had a belief that 24 months was enough time to introduce the People's Charter, make allowances for public consultations, enact the needed changes to the Constitution, provide civic education on reforms, and establish fair electoral campaign beginning no later than the end of January. Nevertheless, the interim regime made sporadic progress towards this election goal. Intermittently EUSAS funding was released when signs of progress occurred, and halted when there was none.⁵¹⁶

In November 2008 a high powered delegation of EU parliamentarians came to visit Fiji and report on progress for democratic elections.⁵¹⁷ It found no ongoing preparations. It concluded that it was unlikely that elections would happen, as agreed with the EU, by March 2009. It suspected that if election preparations commenced immediately, it may be possible for elections to happen by the end of 2009 and released a statement urging Fiji to that effect.⁵¹⁸ The EU delegation for the Pacific was instructed to cancel all funding for the Sugar Adaptation Strategy for the 2009 year. This cancellation has created some critical issues and severe choices for the sugar industry.⁵¹⁹ The ability for the EU to remain engaged in Fiji has also been questioned by some European diplomats and further punitive measures may be considered.⁵²⁰

⁵¹⁵ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

⁵¹⁶ Delegation of the European Union for the Pacific, "Sugar Fiji: National Adaptation Strategy."

⁵¹⁷ The Age, "Eu Wants Fiji to Hold Elections in 2009." European Commission, "Outcome of Visit by European Members of Parliament," *European Commission Press Release*, (2008).

⁵¹⁸ The Age, "Eu Wants Fiji to Hold Elections in 2009."

⁵¹⁹ See SUGAR CHAPTER for details.

⁵²⁰ Cunningham, "Eu Disappointed with Fiji Regime's Roadmap."

Although the Article 96 negotiations were ultimately unsuccessful, they were welcomed by many Fijians.⁵²¹ This is because the EU took an engaging cooperative approach, based upon its humanitarian and legal obligations. The threat of punitive action was given only as a consequence if Fiji failed to abide by the agreed roadmap towards democracy. Additionally, if the EU failed to act, its integrity could be questioned by the international community. The cooperative approach, and search for mutual understanding by the EU, illustrates a significantly different approach to the rhetoric and immediate imposition of smart sanctions by Australia and New Zealand. After the abrogation of the Constitution by Bainimarama, in April 2009, the EU became increasingly concerned about the wellbeing of ordinary citizens in the Fijian villages.⁵²² This time EU action to cancel EUSAS funding for an additional year was swift coming only days after the abrogation. The EU presidency reiterates both its desire for Fiji to respect democratic principles, including freedom of the media, and its desire for elections to be held as soon as possible.⁵²³ Louis Michel, the European Commissioner for Development and Cooperation echoed this sentiment stating a “deep regret and disappointment regarding recent regressive developments in Fiji.”⁵²⁴ The abrogation of the Constitution illustrates to the EU a systematic destruction of its normative principles. Liberty, democracy, rule of law, and human rights are all jeopardised by the present regime, creating a situation totally unacceptable to the EU.⁵²⁵ Developmental assistance is still flowing but now being actively reconsidered by the EU, and if halted could cause a critical problem,

⁵²¹ Transparency International, "Fiji Interview 3 - Ngo Sector Interview". FWRM Fiji Womens Rights Movement, "Fiji Interview 26 - Ngo Sector Interview" (Suva, 1 July, 2008), Howards Law Firm, "Fiji Interview 7 - Governance Sector Interview", Fiji Methodist Church: Social Services, "Fiji Interview 6 - Ngo Sector Interview".

⁵²² EU2009.CZ, "Declaration by the Presidency on Behalf of the Eu on Recent Developments in Fiji."

⁵²³ Ibid.

⁵²⁴ Louis Michel, "Statement by Commissioner Louis Michel on Situation in Fiji," *European Commission Press Release*, (2009), <http://www.delfij.ec.europa.eu>.

⁵²⁵ Ibid.

in other Fijian sectors at a time when “global economic prospects are becoming increasingly difficult.”⁵²⁶

The Fijian Government insists that it is still willing to engage with the European Union under Article 96 mechanisms of the Cotonou Agreement.⁵²⁷ In May 2009, Frank Bainimarama, claimed that the government has now put in place a realistic political process that has the “objective of achieving sustained parliamentary democracy, true democratic accountability, and an electoral system based on universally accepted principles of equal suffrage.”⁵²⁸ The regime is concerned about its increasing isolation, which will jeopardise most efforts by the GoF to stimulate an economic recovery. The EU responds that the value of Bainimarama assurances now have little value, considering a string of broken promises since December 2006, and is concerned that the situation is volatile and that the GoF has little consistency and continuity.⁵²⁹

5.7 Conclusion

5.7.1 *Fiji: A Democratic Future?*

I still have faith in democracy. It has been proved in many countries of the world that democracy can work and in many different forms, so why can't it work in Fiji? No, it can work!⁵³⁰

⁵²⁶ Ibid.

⁵²⁷ Fiji Broadcasting Corporation, "Fiji Government to Continue Own Sugar Reforms," (2009), <http://www.radiofiji.com.fj/fullstory.php?id=20130>.

⁵²⁸ Fiji Broadcasting Corporation, "Fiji Pm Urges Eu to Reconsider Stand," (2009), <http://www.radiofiji.com.fj/fullstory.php?id=20161>, Government of Fiji, "Fiji: Draft Peoples Charter for Change, Peace, and Progress & the State of the Nation Economy Report."

⁵²⁹ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

⁵³⁰ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

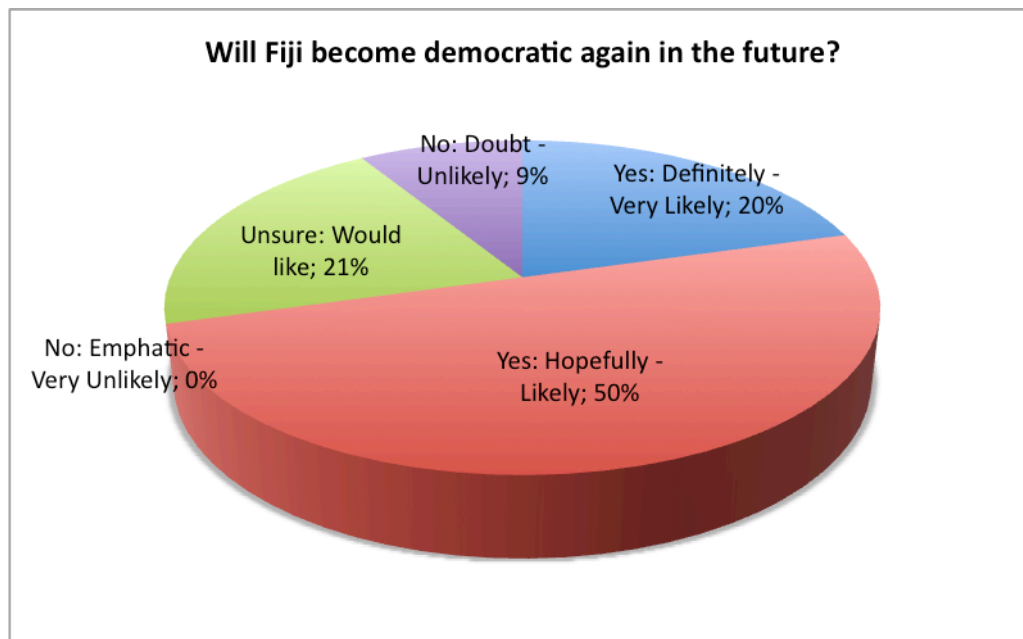


Figure 23: Belief in a Democratic Future in Fiji (Indicative Opinion)

There remains in Fiji a very positive outlook with regards to a democratic future in Fiji.⁵³¹ Most Fijian commentators agree, regardless of whether they support the regime or not that a democratically elected government is desirable and likely.⁵³² Fiji needs a strong democratic foundation and those who try to establish that should be encouraged, supported and guided.⁵³³ Fiji is looking towards restoration of democratic governance, just not at a pace favourable to opposition parties and international aid partners. Both of these parties in turn create obstacles for the GoF, which ironically makes progress towards democratic elections even slower.⁵³⁴

⁵³¹ Ibid.

⁵³² Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview". Good Neighbour International, "Fiji Interview 15 - Ngo Sector Interview", Fiji Womens Rights Movement, "Fiji Interview 26 - Ngo Sector Interview", Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview", Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview", Fiji Methodist Church: Social Services, "Fiji Interview 6 - Ngo Sector Interview", Fiji Independent Commission Against Corruption, "Fiji Interview 25 - Governance Sector Interview", Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview", ECREA, "Fiji Interview 13 - Ngo Sector Interview".

⁵³³ Prasad, "Darkness Surrounds New Path in Fiji."

⁵³⁴ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

Nevertheless, there is a resolute acceptance that Fiji has no option other than to keep trying until it comes up with a democratic formula that is suitable.⁵³⁵ It is a matter of the people standing up to the principles that they feel are right.⁵³⁶

The democratic parliamentary model in Fiji has worked on inclusiveness, transparency, and accountability from election to election and was making good progress. All parliament sessions were broadcast on television, public submissions, public seating, and committees were all very active. The attempts to normalize democracy in a Western sense were active and effective.⁵³⁷ This movement however was temporarily halted by the 2006 coup. Bainimarama's determination to reform the system and restore a better democracy through force of arms can be considered both ironic and flawed.

The central lesson that the Bainimarama regime teaches is that if one desires drastic reform and change, then the central thing to aspire to is force of arms and then seize power.⁵³⁸ However, when talking about viability of democracy in Fiji, it needs to be noted that it took centuries for Europe to change and evolve into the democratic societies they are today.⁵³⁹ The concern is that the longer the delay in a restoration of governance, the greater the potential of an economic meltdown and increased instability.⁵⁴⁰

The continued need for media suppression shows peoples desires to protest the regime. This wholehearted rejection is not necessarily because of the regimes policies, of which many are of value and helpful to Fiji, but because of how it

⁵³⁵ USP Governance School, "Fiji Interview 8 - Governance Sector Interview".

⁵³⁶ Oxfam, "The Fijian Sugar Industry: Investing in Sustainable Technology."

⁵³⁷ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

⁵³⁸ Ibid.

⁵³⁹ Ibid.

⁵⁴⁰ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

seized power trampling upon the democratic voice, and base human rights of the people.⁵⁴¹ Only the passage of history will be able to judge whether the Bainimarama regime was a beneficial turning point in Fiji, or another negative step that detrimentally affects the quality of life of Fijians for generations to come.⁵⁴² Fiji's governance issues are complex and traditional international responses simplistic and ineffective. Constitutional and electoral reform are needed in Fiji and the interim regime is attempting to provide that. Internal opposition to the regime is strong showing an active proletariat and desire for action and democracy.

The EU response to the present crisis has been a relatively engaged and cooperative action following EU's normative principles and structures put in place by the Cotonou Agreement. However, arguably the EU has also made the most severe negative economic impact on the country by tying democratic progress to the EU Sugar Adaptation Strategy. The fact that Bainimarama failed to uphold his side of the bargain forged by the Article 96 negotiations is disappointing, and makes observers wonder about the rhetoric of the People's Charter and his speeches, wondering if the regimes intentions are genuine or a façade. The EU and other international partners are now very suspicious of everything Bainimarama declares, relating him to a traditional dictator that employs propaganda and sympathisers to establish a false sense of security and belonging. This thesis argues that he is genuine, and consequently, the regime, internal opposition to the regime and all international agencies are arguing for the same thing: A stable, democratic Fiji, freed from its cycle of coups. The conflict arises in the methodology that Bainimarama employs which can be seen as detrimentally affecting the very goals he is striving for. Democracy must evolve out of the political consciousness of the people and will not succeed through dictatorship or international development in isolation.

⁵⁴¹ Oxfam, "The Fijian Sugar Industry: Investing in Sustainable Technology."

⁵⁴² International School Suva, "Fiji Interview 19 - Education Sector Interview".

6 Fiji – Sugar Sector

For us in the Sugar Industry, it is time to face reality... We really *have* to make changes now.⁵⁴³

6.1 Introduction

The sugar industry has been the backbone of the Fijian economy since its introduction in 1880.⁵⁴⁴ Since Fijian independence in 1970, the output from the sugar industry rose dramatically with the government viewing it as the prime industry that would provide Fiji with the economic stimulus needed for sustained long-term development.⁵⁴⁵ This view was codified and given a key incentive by the signing of the Lomé Convention in 1975 with the EU. Included as part of this convention was the Sugar Protocols, which gave Fiji access to European Union markets at a preferential price quota about three times the global market price. Sugar production in Fiji peaked in 1986 with over 500,000 tonnes of cane. Since then however, there has been a steady decline in production.⁵⁴⁶ This decline can be attributed to many things that will be summarised and illustrated in this chapter.

It is clear that when the sugar industry was at its height and making the most profits, very little was being reinvested into the sugar mills, transport networks, and research and development which would help maintain efficiency, viability, and

⁵⁴³ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁵⁴⁴ Paresh Kumar Narayan and Biman C. Prasad, "Economic Importance of the Sugar Industry in Fiji: Simulating the Impact of a 30% Decline in Sugar Production," *USPEC Working Paper* 2004, no. 12 (2004). Mahendra Reddy, "Survival Strategies for the Fiji Sugar Industry," *Fijian Studies* 1, no. 2 (2003). Stephanie Versteeg, "Bioethanol Production in Fiji: An Environmentally Sustainable Project?," *Evidence Based Environmental Policy and Management* 1(2007).

⁵⁴⁵ Reddy and Lal, "State Land Transfer: Issues and Implications."

⁵⁴⁶ Narayan and Prasad, "Economic Importance of the Sugar Industry in Fiji: Simulating the Impact of a 30% Decline in Sugar Production.."

profitability of the industry.⁵⁴⁷ The sugar sector was in effect being used as a ‘cash cow’ and left the complex multilayered industry structure unchanged.

The Fiji sugar industry has a convoluted design with three main stakeholders. There are native Fijian landowners represented by the Native Lands Trust Board (NLTB) who lease land to the primarily Indo-Fijian sugarcane farmers in small family sized 4 hectare (10 Acre) farm plots that need to be manually harvested. Many parties, in particular the umbrella organisation called the Sugar Cane Growers Council (SCGC), represent the farmers. They sell the produce to the majority owned government miller, the Fiji Sugar Corporation (FSC) who in turn processes, markets and exports the sugar.⁵⁴⁸ Each of the main stakeholders mistrusts the other, and significant disputes between the parties has led the industry to become one of the most inefficient, highly politicised, exploited, and legislated sectors in Fiji.⁵⁴⁹ There have been many commissions and formulas for distribution of profits, none fully satisfactory to all parties.⁵⁵⁰ Therefore, the EU Sugar Protocols while achieving its goal of providing ‘aid with dignity’ and providing extra development income to Fiji, has ironically intensified the acrimonious disputes between the growers unions, mill management, and native landowners. All parties claim that they were not receiving a fair proportion of the profits.⁵⁵¹

⁵⁴⁷ Fiji Times, "Sweet Deal," *Fiji Times*, 12 May, 2008.

⁵⁴⁸ Reuters, "Fiji Sugar Corp Sees Sweet Future Despite Eu Loss," *Food Industry News*, (2009), <http://www.flex-news-food.com/pages/23811/Sugar/fiji-sugar-corp-sweet-future-despite-eu-loss.html>.

⁵⁴⁹ Fiji Times, "Sweet Deal."

⁵⁵⁰ Reddy, "Survival Strategies for the Fiji Sugar Industry."

⁵⁵¹ Lal and Reddy, "Old Wine in a New Bottle? Proposed Sugar Industry Restructuring and Land Conflict in Fiji."

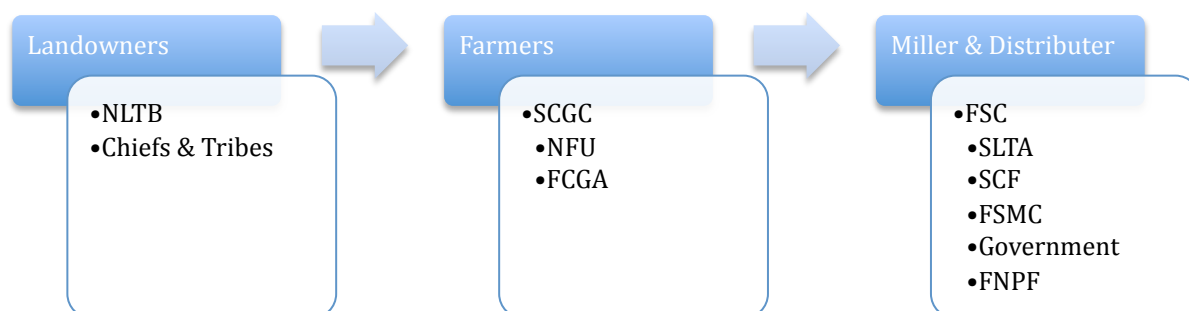


Figure 24: The main stakeholders in the Fiji sugar sector

Today an estimated 51,000 individuals work directly in the sugar industry and another 200,000 or roughly 25% of the Fiji's population rely upon it for their livelihoods.⁵⁵² Nevertheless, the sector only accounts for 7% of the Fijian GDP and has been declining since 1994.⁵⁵³ The disparity between its revenue and the people it supports shows the industry's social and structural importance above its economic performance. Even sugar's biggest advocates now "admit the industry is in bad shape,"⁵⁵⁴ "lacks vitality,"⁵⁵⁵ and without action is destined to collapse.⁵⁵⁶

Initial beliefs by policy makers⁵⁵⁷ that Fiji's successful tourism industry would be able to largely compensate for potential collapse in the sugar industry are now dispelled, and in the short to medium term future there are no alternatives to the

⁵⁵² Fiji Times, "Sugar Industry under Threat," *Fiji Times*, 20 December, 2006. Reddy, "Survival Strategies for the Fiji Sugar Industry."

⁵⁵³ Reddy, "Survival Strategies for the Fiji Sugar Industry." Narayan and Prasad, "Economic Importance of the Sugar Industry in Fiji: Simulating the Impact of a 30% Decline in Sugar Production.." Versteeg, "Bioethanol Production in Fiji: An Environmentally Sustainable Project?."

⁵⁵⁴ ABC Online, "Eu Says Not Involved in New Fiji Sugar Deal," *ABC News*, (2008), <http://www.abc.net.au/ra/programguide/stories/200807/s2291257.html>.

⁵⁵⁵ Versteeg, "Bioethanol Production in Fiji: An Environmentally Sustainable Project?."

⁵⁵⁶ Oxfam, "The Fijian Sugar Industry: Investing in Sustainable Technology.", Reddy, "Survival Strategies for the Fiji Sugar Industry.", Fiji Sugar Corporation, "The Fiji Sugar Industry: Sugar Industry Strategic Plan," *Fijian Studies*, 1, no. 2 (2003), Padma Narsey Lal, *Ganna: Portrait of the Fiji Sugar Industry* (Lautoka: Sugar Commission of Fiji, 2008), Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview".

⁵⁵⁷ According to - Narayan and Prasad, "Economic Importance of the Sugar Industry in Fiji: Simulating the Impact of a 30% Decline in Sugar Production.."

sugar sector. Furthermore, the sector has a bigger multiplier effect than most other industries in Fiji and its decline is acutely felt in all sectors.⁵⁵⁸ Finally, to worsen matters, the long established EU Sugar Protocols preferential pricing options will be cut by 36% as of September 2009. This move was well signalled by a WTO ruling in 2004, and a general change in development aid direction embarked upon by the EU since the Cotonou Agreement in 2000. The move has created dismay in Fiji's unprepared sugar sector.

The re-establishment of the viability of the industry is an urgent need for Fiji. To do this it is necessary to look at the fundamentals that are threatening its future viability and to ensure that all stakeholders in the sugar industry work together to improve efficiency, quantity, and quality.⁵⁵⁹ Narayan and Prasad, suggest that the key issues are the non-renewal of land leases for sugar cane farmers, and a rising level of inefficiency in sugar production, milling, and transportation.⁵⁶⁰

Sugar industry problems are broader with the Sugar Commission of Fiji highlighting in addition to the above, declining sugar cane quality, deteriorating processing equipment, and infighting within the industry. Effectively, sugar sector problems can be divided into those relating to a decline in yield, and those relating to a decline in efficiency. The European Union's involvement in the Fiji sugar industry has been directly related to both. In 2006 the EU signed the Sugar Adaptation Strategy (EUSAS), which has the potential to save the sugar industry and yet force a total change in lifestyle for thousands of Fijians. However, if stakeholders and politicians cannot cooperate, identify, and resolve their issues, then other sector-wide problems become more significant. Therefore, no matter how much international developmental aid the sugar industry receives from the EU or

⁵⁵⁸ Ibid. Reddy and Lal, "State Land Transfer: Issues and Implications."

⁵⁵⁹ Fiji Times, "Sweet Deal." ———, "\$350m Is Our Share, Chaudhry Maintains," *Fiji Times*, 9 April, 2007.

⁵⁶⁰ Narayan and Prasad, "Economic Importance of the Sugar Industry in Fiji: Simulating the Impact of a 30% Decline in Sugar Production.."

other partners, it will be rendered meaningless. The potential of a doomsday scenario caused by the collapse the sugar sector that will affect the entire Fijian economy and cause abject poverty,⁵⁶¹ should be an incentive to ‘make the tough decisions’ and create lasting change.

6.2 *EU and the Fiji Sugar Sector*

6.2.1 *EU Sugar Protocols History*

On 28 February 1975 as part of the Lomé Convention, the Sugar Protocols were established with the sugar producing ACP countries. In total 18 countries of the ACP network are sugar producing countries, of which Fiji is the only one in the Pacific-ACP group.⁵⁶² Article 1 of the Sugar Protocol states:

The Community undertakes for an indefinite period to purchase and import, at guaranteed prices, specific quantities of cane sugar, raw or white, which originate in the ACP States and which these States undertake to deliver to it.⁵⁶³

Article 5 stipulates that the guaranteed prices will be based on community market prices, “taking into account all relevant economic factors.”⁵⁶⁴ This effectively means that the price of sugar given to the ACP countries is the same as that offered with subsidies to European farmers, over 3 times the average market price in any given year.⁵⁶⁵ This means that a specific prearranged amount of sugar grown by the sugar sector can gain profits well beyond what would be possible under normal free trade conditions. It allows the sugar industry to plan ahead a certain amount of

⁵⁶¹ Fiji Times, "Sweet Deal."

⁵⁶² The 18 Sugar Producing ACP countries in alphabetical order are: Barbados, Belize, Congo, Côte d'Ivoire, Fiji, Guyana, Jamaica, Kenya, Madagascar, Malawi, Mauritius, Mozambique, St. Kitts & Nevis, Swaziland, Tanzania, Trinidad and Tobago, Zambia, & Zimbabwe.

⁵⁶³ European Commission, "Annex 5 of the Cotonou Agreement: Sugar Protocol General Trade Agreement," (Cotonou: European Commission, 2000).

⁵⁶⁴ Ibid.

⁵⁶⁵

guaranteed revenue, regardless of fluctuating sugar production yields or other economic factors.

6.3 Decline in Yield

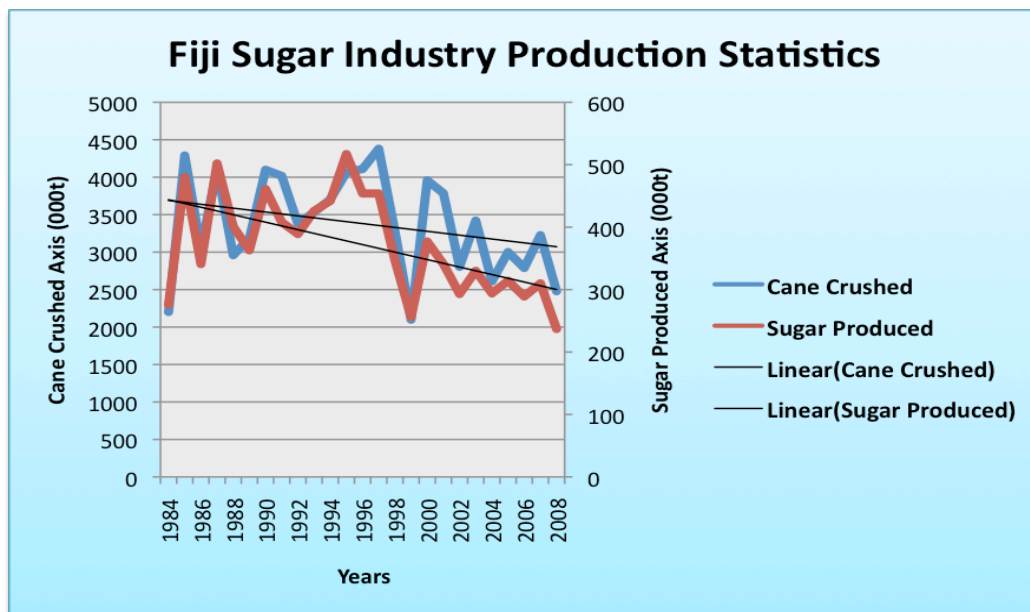


Figure 25: Actual Cane & Sugar Production Numbers, and Trendlines since 1984

Figure 25 illustrates both the decline in yield of the sugar industry as well as the decline in efficiency shown by the increasing divergence in the trend lines between the amount of cane crushed and the amount of sugar produced from that cane. It clearly shows that the decline of the sugar industry has been happening for a number of years. Indeed up until the mid 1980's Fiji was regarded internationally as an efficient and reliable producer of high quality sugar, but those performance indicators as early as 1991 showed Fiji had dropped drastically to become a country with one of the lowest performance indicators in the industry.⁵⁶⁶ A report in 2005 comparing the sugar sectors of all countries demonstrated that Fiji has the 2nd

⁵⁶⁶ Reddy, "Survival Strategies for the Fiji Sugar Industry."

lowest cane yield and the lowest sugar yield per harvested hectare, and yet it has the 7th highest production costs.⁵⁶⁷ Figure 25 also shows on a yearly basis how erratic production of sugar cane can be. The sugar research institute argues that this is due to the industries reliance upon rain and a total lack of irrigation. For example the massive dip in 1998 was due to severe drought conditions throughout the sugar producing areas. Figure 26, nevertheless, shows the continuing profitability of the Sugar Protocols. The EU accepts an average of 175,000 tonnes of sugar from Fiji per annum, but its market share of Fiji sugar has risen from about 50% to 90% in 2007. In effect the Fiji sugar industry has become reliant upon the Sugar Protocols to compensate for its increasing inefficiencies and the impact of the removal of the sugar subsidies could prove to be catastrophic for both solvency of the industry, and the whole Fijian economy. One of the greater ironies of the industry is highlighted by the fact that Fiji for the last few years has been importing sugar for local consumption from India. This is to ensure it can meet EU quotas, and so export 100% of its product, most of which is destined for the European Union.⁵⁶⁸ Locals find this situation “crazy”.⁵⁶⁹ Few sugar producing countries in the world are so dependent upon the favourable export market that the EU provides.⁵⁷⁰

⁵⁶⁷ Oxfam, "The Fijian Sugar Industry: Investing in Sustainable Technology."

⁵⁶⁸ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview". ABC Online, "Eu Says Not Involved in New Fiji Sugar Deal."

⁵⁶⁹ Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview".

⁵⁷⁰ Reddy, "Survival Strategies for the Fiji Sugar Industry."

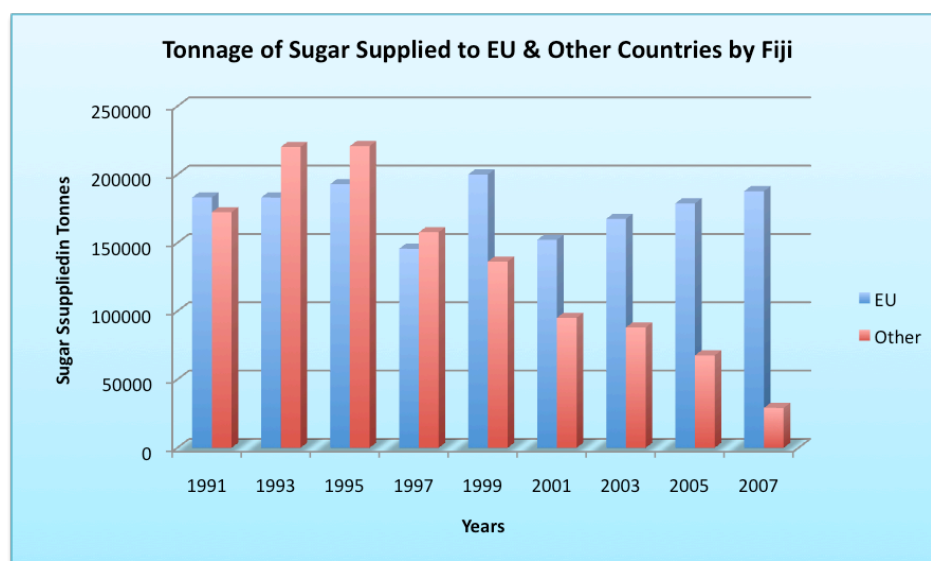


Figure 26: Fiji Sugar Exports to the European Union & Other Countries

6.3.1 Land Issues

60% of Fiji's land area is considered suitable for agriculture, however, only 16% is suitable for sustained farming.⁵⁷¹ The Sugar Research Institute suggests land issues are the core reason for reduced sugar yields. As expansion occurred in the 70's and 80's, there was an increased use of marginal land, that couldn't naturally produce good quantities of high quality sugar. Industry records from the NTLB illustrate that 90% of land used for sugar cane is classed as poor or marginal.⁵⁷² Sugar as a crop can grow in these poor or marginal areas because it has a high "photosynthetic efficiency and requires less nutrient inputs."⁵⁷³ The sugar industry is entirely dependent on rain for irrigation and ever more so in these marginal lands.

⁵⁷¹ K Chand, "Gateway to Land and Water Information, Prepared for the Fao by Usp, Apia," *National Report - Fiji*, (2006), http://www.fao.org/ag/aGL/swlwpnr/reports/y_pa/z_fj/fj.htm.

⁵⁷² Lal and Reddy, "Old Wine in a New Bottle? Proposed Sugar Industry Restructuring and Land Conflict in Fiji." J. S. Gawander, P. Gangaiya, and R. J. Morrison, "Potassium Studies on Some Sugarcane Growing Soils in Fiji," *South Pacific Journal on Natural Science* 20(2002).

⁵⁷³ Versteeg, "Bioethanol Production in Fiji: An Environmentally Sustainable Project?."

Many farmers suffer excessive floods and then experience drought conditions during certain times of year, which leaves the soil with minimal nutrients.⁵⁷⁴ Extreme examples of how the weather can affect the industry were the major droughts that halved the sugar yield in 1998 and the floods of January 2009 that displaced hundreds of people and destroyed 100% of the sugar crops on many farms in the western region of Viti Levu.

Fiji's traditional ties to the land are very strong. Emphasis upon *vanua*, that the people and land are one, is a concept at the very core of Fijian culture.⁵⁷⁵ Most land in Fiji is under the communal ownership of native Fijians. Of the total land area in Fiji, 82.4% is held by ethnic Fijian tribal units.⁵⁷⁶ This custom-held land cannot be bought or sold, even among Fijians themselves,⁵⁷⁷ but it can be leased, and the leasing of native lands therefore becomes crucial to the viability of any agricultural industry.

The tenant and small farm system of the Fiji sugar industry distinguishes it from most other sugar producing countries that are plantation based.⁵⁷⁸ Since 1997, agricultural leases under the Agricultural Landlord and Tenant Act (ALTA) have been expiring, and landowners have been generally unwilling to renew them,⁵⁷⁹ causing generations of sugarcane families to lose their livelihoods, and create anxiety amongst those tenants still with land.⁵⁸⁰ A report in 2003 showed that over

⁵⁷⁴ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

⁵⁷⁵ Ministry of Tourism: Fiji, "Fiji Interview 1 - Tourism Sector Interview".

⁵⁷⁶ Reddy and Lal, "State Land Transfer: Issues and Implications."

⁵⁷⁷ Lal and Reddy, "Old Wine in a New Bottle? Proposed Sugar Industry Restructuring and Land Conflict in Fiji."

⁵⁷⁸ Reddy, "Survival Strategies for the Fiji Sugar Industry."

⁵⁷⁹ Lal, *Ganna; Portrait of the Fiji Sugar Industry*. p155 Lal and Reddy, "Old Wine in a New Bottle? Proposed Sugar Industry Restructuring and Land Conflict in Fiji."

⁵⁸⁰ Lal, *Ganna; Portrait of the Fiji Sugar Industry*. p.154 Reddy and Lal, "State Land Transfer: Issues and Implications." Reddy, "Survival Strategies for the Fiji Sugar Industry."

70% of expired leases were not reissued to the existing tenants.⁵⁸¹ The result is that land that could be harnessed for commercial gain is lying fallow.⁵⁸² The Sugar Cane Growers Council (SCGC) predicted in 2004 that without renewal of leases and a significant restructure of the industry, a 30% decline in production could occur within 3 years.⁵⁸³ This prediction proved correct, as the area of sugarcane crops declined from 66,000 Hectares in 2003⁵⁸⁴ to 52,600 Hectares harvested in 2008.⁵⁸⁵

A contributing factor to the decline in leases was the passing of two controversial Acts by the Qarase government. The first one transfers all crown lands to the trusteeship of the NLTB. This amounts to almost 9% of all land in Fiji pushing the total land area under the trusteeship of the NLTB above 90% when combined with its existing holdings.⁵⁸⁶ Secondly, the Qarase government has rejected ALTA, in favour of the older Native Land Trust Act (NLTA), because of its greater scope to extort higher market rents and utilise shorter leases that favour the landowner over the tenant. Such leases often include large upfront 'goodwill' payments and further erode the commercial viability of many farms.⁵⁸⁷

The NLTA act caused widespread anxiety and protests in the 70's and appears to be doing so again.⁵⁸⁸ The rationale for the change by the Qarase government was the perception that tenants had become rich at the landowners expense, although the facts illustrated by Lal and Reddy show otherwise.⁵⁸⁹ These above examples show

⁵⁸¹ Lal and Reddy, "Old Wine in a New Bottle? Proposed Sugar Industry Restructuring and Land Conflict in Fiji."

⁵⁸² Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview". See

⁵⁸³ Narayan and Prasad, "Economic Importance of the Sugar Industry in Fiji: Simulating the Impact of a 30% Decline in Sugar Production.."

⁵⁸⁴ Fiji Sugar Corporation, *Annual Report 2004*, ed. Fiji Sugar Corporation (Lautoka: Fiji Sugar Corporation, 2004).

⁵⁸⁵ ———, *Annual Report 2008*, ed. Fiji Sugar Corporation (Lautoka: Fiji Sugar Corporation, 2008).

⁵⁸⁶ Reddy and Lal, "State Land Transfer: Issues and Implications."

⁵⁸⁷ Reddy, "Survival Strategies for the Fiji Sugar Industry."

⁵⁸⁸ Lal and Reddy, "Old Wine in a New Bottle? Proposed Sugar Industry Restructuring and Land Conflict in Fiji."

⁵⁸⁹ Ibid.

there is very little unity of purpose or appreciation of the interdependent nature of the three main stakeholders in the industry.⁵⁹⁰ The land-lease concerns have reached crisis levels and need to be addressed urgently, not only for the sugar industry but all other potential agricultural industries in Fiji.⁵⁹¹ The land tenure system as it stands also does not distribute the lease money equally with an entire tribe of people. There is an example of an individual receiving a F\$50 million dollar pay out from the NLTB.⁵⁹² A social concern caused by the expiration of land leases means that farmers have to leave their land and come to the urban areas in search for employment. Job prospects in the cities are also scarce presently and without formal living arrangements, the result is a large increase in squatter settlements around the city limits.⁵⁹³

Expiry Year	Expired Sugarcane Leases	New Sugarcane Leases Issued	New Sugarcane Leases Issues to existing Tenants.
1997	72	67	36
1998	157	152	45
1999	1073	861	350
2000	1708	780	311
2001	313	155	141
Total	3323	2015	883

Figure 27: Expiration of Sugarcane Leases and number of reissues from 1997 to 2001.⁵⁹⁴

6.3.2 *Burnt Cane*

In 2003 burnt cane comprised of 40% of the total harvest. This was a result of a long upwards trend that doubled the amount of burnt cane supplied since 1978.⁵⁹⁵

⁵⁹⁰ Ibid.

⁵⁹¹ Reddy, "Survival Strategies for the Fiji Sugar Industry." Fiji Sugar Corporation, "The Fiji Sugar Industry: Sugar Industry Strategic Plan."

⁵⁹² Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁵⁹³ Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview".

⁵⁹⁴ Lal and Reddy, "Old Wine in a New Bottle? Proposed Sugar Industry Restructuring and Land Conflict in Fiji.", Lal, *Ganna; Portrait of the Fiji Sugar Industry*.

⁵⁹⁵ Lal, *Ganna; Portrait of the Fiji Sugar Industry*.

The reason growers burn cane is to physically reduce the load of the labourers during the harvest by removing up to 90% of the unwanted biomass.⁵⁹⁶ There is still very little mechanisation in the sugar industry, and maintaining a farm requires a lot of planning and manpower.⁵⁹⁷ However, burnt cane adversely affects milling performance in two ways. Firstly, it takes longer to mill, and secondly it increases the impurities of cane juice, which in turn reduces the quality of the sugar and brings lower market prices. Indeed up to 15% of the sucrose yield is lost by burning the cane.⁵⁹⁸

Yields have also declined by virtue of a loss of experienced farmers. More indigenous Fijian farmers are deciding to enter the industry themselves, after the non-renewal of leases from their former tenants. However, they take time to gain experience in sugarcane farming and it takes a number of seasons before the new farmers match the level of efficiency and production levels of the experienced farmers (mainly Indo-Fijians) that they are replacing.⁵⁹⁹

6.3.3 *Money to be made from Sugar Cane?*

The average net return per household from sugarcane farming was estimated through census data at F\$842 per Hectare, or about F\$3500 in total with the standard farm plot averaging little more than 4 Hectares.⁶⁰⁰ This is below the per capita GDP of F\$3889 for 2000. Furthermore many farms produce less than 50 tonnes of cane per year making their net incomes less than their net costs. These already marginal farms whose farmers according to the 1997 UNDP human rights

⁵⁹⁶ Ibid. p20

⁵⁹⁷ Sheetal Sing, "Road of Hardship," *Fiji Times*, 8 April, 2009.

⁵⁹⁸ Lal, *Ganna; Portrait of the Fiji Sugar Industry*. p67 M. F. Demirbas and M. Balat, "Recent Advances on the Production and Utilisation Trends of Bio-Fuels: A Global Perspective," *Energy Conversion and Management* 47, no. 15-16 (2006).

⁵⁹⁹ Narayan and Prasad, "Economic Importance of the Sugar Industry in Fiji: Simulating the Impact of a 30% Decline in Sugar Production.."

⁶⁰⁰ Lal and Reddy, "Old Wine in a New Bottle? Proposed Sugar Industry Restructuring and Land Conflict in Fiji."

report are already living below the poverty will be the ones most severely hit by any sugar industry reform process.⁶⁰¹

6.4 Decline: in Efficiencies

The Fiji Sugar Corporation, like many public enterprises, has social obligations that can lead it to inefficiency and poor management.⁶⁰² For example, there is a fertiliser subsidiary available from the FSC that has been allowed to run at considerable loss for a number of years. The government will not allow the price of fertiliser to be increased due to the burden this places on the growers who are already struggling.⁶⁰³ Indeed since 2004, the FSC has been technically insolvent, continuing operations only by virtue of massive cash injections by the Fijian government.⁶⁰⁴ As infrastructure and maintenance costs increase, so too does the level of cash grants needed for the sugar industry to continue operations.⁶⁰⁵

One observer declares that it is vital for the FSC to be run on a truly commercial basis, separate from any political interference and influence.⁶⁰⁶ A lack of skilled personal, attributed to the large-scale emigration of people following each coup, also cause major gaps in capabilities.⁶⁰⁷ The SCGC complains that infrastructure, in particular FSC transportation assets, remain poor. There are antique railway engines

⁶⁰¹ Ibid.

⁶⁰² Narayan and Prasad, "Economic Importance of the Sugar Industry in Fiji: Simulating the Impact of a 30% Decline in Sugar Production.."

⁶⁰³ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁶⁰⁴ Narayan and Prasad, "Economic Importance of the Sugar Industry in Fiji: Simulating the Impact of a 30% Decline in Sugar Production.." Reddy, "Survival Strategies for the Fiji Sugar Industry."

⁶⁰⁵ Narayan and Prasad, "Economic Importance of the Sugar Industry in Fiji: Simulating the Impact of a 30% Decline in Sugar Production.."

⁶⁰⁶ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁶⁰⁷ Reddy, "Survival Strategies for the Fiji Sugar Industry.", Sera Janine, "Crisis to Cost Sugar Industry \$350m," *Fiji Times*, 20 November, 2006.

some more than 50 years old, and a dilapidated truck fleet, the majority of which date prior to independence.⁶⁰⁸

The FSC is aware of its deficiencies and acknowledge the necessity vital to repair and improve rail infrastructure and truck fleets that transport the sugar cane. In the short to medium term there will be some allocation for the improvement of the railway lines and truck fleet, but not to the desired or even needed level.⁶⁰⁹ The FSC also admits that it underestimates the full the costs of sugar production because they do not include opportunity costs of family labour, nor capital costs such as buying farm equipment.⁶¹⁰ These issues as well as the overall split in profits between the growers and the miller, have traditionally caused of tension and dispute.⁶¹¹ Indeed, as far back as 1960, it was necessary to have legal arbitration, which has made the sugar industry one of the most politicised and legislated in Fiji.⁶¹² Today, the share of proceeds given to the FSC is among the lowest in the world, significantly below the profits needed for solvency, let alone the amount required to finance adequate renewal of factory and transport installations.⁶¹³

6.4.1 Need for Reform

Such is the importance of the sugar industry that the decline in the last 5 years can explain a significant decline in funding for health and education sectors. The most obvious visual effect is the dramatic increase in squatter settlements around Suva and other major towns.⁶¹⁴ In 2006 inefficiency and lower yields meant that the average cost of producing the sugar in Fiji of F\$38 a tonne exceeded world market

⁶⁰⁸ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

⁶⁰⁹ ABC Online, "Eu Says Not Involved in New Fiji Sugar Deal."

⁶¹⁰ Tim Naivaluwaqa, "Academic Blames Poor Info for Sugar Woes," *Fiji Times*, 16 December, 2008.

⁶¹¹ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁶¹² Ibid.

⁶¹³ Reddy, "Survival Strategies for the Fiji Sugar Industry."

⁶¹⁴ Narayan and Prasad, "Economic Importance of the Sugar Industry in Fiji: Simulating the Impact of a 30% Decline in Sugar Production.."

prices of F\$36.⁶¹⁵ The sugar industry had officially become dependent upon the EU Sugar Protocols and was no longer sustainable without major reform.⁶¹⁶ In effect the sugar industry has no right to survive in a commercial sense. It cannot supply its market with a sugar product at the quality and price the market demands. It is clear that “without radical and rapid reforms, this industry will die.”⁶¹⁷ The realisation of that, and the desire to reform the industry and reduce costs, is universal.⁶¹⁸

Since 1995 there have been several proposed reform options looked at by industry leaders,⁶¹⁹ but stakeholders still argue about the fundamental nature of the problems. Furthermore, many proposals were based upon poor information, and assumptions.⁶²⁰ There is a widespread belief that the industry will not be allowed to fail because the stakes are too high, and this has bred complacency thus delaying the urgent need for reform.⁶²¹ Consequently, no reform proposals gained significant traction or caused lasting change. The GoF is in a very poor financial position and will be unable to continue to underwrite the FSC to allow it to continue operations indefinitely.⁶²²

6.5 2004 WTO Ruling & EU Sugar Protocols Reforms

The EU Sugar Protocols subsidised annually 5 million tonnes of sugar globally which distorted markets and depressed global prices.⁶²³ On 15 October 2004 after

⁶¹⁵ Fiji Times, "Sugar Industry under Threat."

⁶¹⁶ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁶¹⁷ Reddy, "Survival Strategies for the Fiji Sugar Industry."

⁶¹⁸ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁶¹⁹ Reddy, "Survival Strategies for the Fiji Sugar Industry." Versteeg, "Bioethanol Production in Fiji: An Environmentally Sustainable Project?." Lal, *Ganna; Portrait of the Fiji Sugar Industry*, Oxfam, "The Fijian Sugar Industry: Investing in Sustainable Technology."

⁶²⁰ Naivaluwaqa, "Academic Blames Poor Info for Sugar Woes."

⁶²¹ Reddy, "Survival Strategies for the Fiji Sugar Industry."

⁶²² Ibid.

⁶²³ Katharina A. Serrano, "Sweet Like Sugar: Does the Eu's New Sugar Regime Become Fiji's Bitter Reality of Welcome Opportunity?," *Journal of South Pacific Law* 11, no. 2 (2007).

an appeal by Brazil, Thailand, and Australia into the legality of EU Sugar Protocols, the WTO dispute panel pronounced them illegal and requested action to remove imbalances of the sugar sector on the global market.⁶²⁴ The EU appealed the panel's findings but the Appellate Body upheld them on 28 April 2005.⁶²⁵ The rationale for the decision was that the Sugar Protocols were distorting global market prices and providing unequal market access to the EU. These were both true. To keep the guaranteed quotas of the Sugar Protocol going as well as subsidise European Farmers meant that the EU was importing more sugar than it needed, and dumped the excess sugar back onto the market, lowering market prices even further. The Sugar Protocols were in its current form unsustainable for the EU. Therefore, the WTO can be held responsible for initiating the changes to the Sugar Protocols established since the Lomé Convention,⁶²⁶ it was something the EU needed to do anyway. Indeed the EU was keen to modernised all its aid packages as indicated by the Cotonou Agreement. Consequently, the cornerstone of the sugar protocols, that of giving 3 times the market price, 'aid with dignity,' will come to an end come September 2009, ending a 30 year arrangement.⁶²⁷

The reforms of the Sugar Protocols and the subsequent loss in revenue have been heavily criticised by the Sugar Industry. It is argued that without preferential pricings, the Sugar Protocols became an "empty shell".⁶²⁸ Firstly, the protocol is a treaty and cannot legally be tampered with unilaterally as the EU appears to have done. Secondly, Article 1 specifically states that the protocol will last for an indefinite period.⁶²⁹ The EU is thus allowing the legal jurisdiction of the WTO to

⁶²⁴ Ibid.

⁶²⁵ WTO Appellate Body, "Appellate Body Reports Wt/Ds265/Ab/R,"(2005), www.wto.org.

⁶²⁶ Narayan and Prasad, "Economic Importance of the Sugar Industry in Fiji: Simulating the Impact of a 30% Decline in Sugar Production.."

⁶²⁷ Reuters, "Fiji Sugar Corp Sees Sweet Future Despite Eu Loss."

⁶²⁸ ACP Sugar, "The Acp / Eu Sugar Protocols,"(2005), <http://www.acpsugar.org/Overview.html>.

⁶²⁹ European Commission, "Annex 5 of the Cotonou Agreement: Sugar Protocol General Trade Agreement."

overrule bilateral trade agreements when the WTO ruling was no more than consultative, to expedite desired change. A representative from the FSRI said, “The European Union has, because of its strength and power, put tiny countries like Fiji in a massively difficult situation and then expects them to survive.”⁶³⁰ The EU was adopting measures aimed at “slowly killing the Sugar Protocol” according to the ACP-SP countries.⁶³¹ In May 2007 there was a meeting of the Sugar producing ACPs in Nadi. At this meeting it was resolved to safeguard the other benefits of the Sugar Protocols, even with the pricing structure reduced to meet WTO demands.⁶³² However, some ability to negotiate on prices was thought possible if all 18 countries collectively bargained with their suppliers.⁶³³ Furthermore, in Fiji’s case, the modification of the Sugar Protocols encouraged Fiji to sign the EPA, in order to secure sugar import quotas scheduled to be removed in 2013.⁶³⁴ As such, countries like Fiji have to endure immediate losses of revenue that are not covered by the proposed adaptation strategy or any other means.⁶³⁵

It is clear that in a globalising world, the WTO ruling was not unexpected, or unique. The Fiji Times claimed that ‘everyone knew’ sugar protocols would come to an end one day, and yet very little preparation was done ahead of time to cater for it.⁶³⁶ The WTO makes the same demand of trade liberalisation upon all countries without prejudice. Ultimately, this ruling and changes to the Protocols must be the

⁶³⁰ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

⁶³¹ Matau, "Dark Days Ahead for Sugar Cane Farmers."

⁶³² PACnews, "18 Acp Sugar Producers Want to Preserve the Benefits of the Sugar Protocol."

⁶³³ Ibid.

⁶³⁴ Matau, "Dark Days Ahead for Sugar Cane Farmers."

⁶³⁵ Ibid.

⁶³⁶ Fiji Times, "Sweet Deal."

impetus that ensures swift and drastic reformative action occurs in the sugar industry, to establish a more cost effective and commercial business model.⁶³⁷

6.5.1 Implications

The implications of a 36% price reduction are severe to Fiji, already struggling with decreased yields and efficiencies. It is estimated that 42% or 7,320 farms industry wide will have negative or zero gross margins affecting some 24,300ha of land and sugar output of over 850,000 Tonnes of cane.⁶³⁸ The Lautoka and Labassa refinery areas currently have the greater proportion of high cost farms, and will be affected most by the EU reforms. In almost 2/3 of farms on Vanua Levu, the cost of operating farms will exceed income revenue.⁶³⁹ Consequently, a number of cane farmers will be forced out of the industry without enough money to pay for food or rent. All living costs in Fiji are going up while the sugar price is going down.⁶⁴⁰ The need to compensate for 36% loss in revenue is acute, and means that the cost of production needs to be reduced by the same percentage or an individual farmers yield will have to increase similarly. For overall profitability, aiming to do both would be ideal. However, increasing yield is easier to achieve than reducing production costs according to the FSRI.⁶⁴¹ Even with a 36% drop in preferential prices by the European Union, there remains a significant premium over world market prices, estimated by the World Bank to be double historical world market prices.⁶⁴² The Fiji Sugar Marketing Co did some rough calculations and discovered that the new EU price will pay a 50% premium over present prices at F¢75 to 79 per kilo of raw sugar, when the world market price remains at F¢51 to 57. As such, the

⁶³⁷ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁶³⁸ Lal, *Ganna; Portrait of the Fiji Sugar Industry*. p101

⁶³⁹ Ibid. p107 - 108

⁶⁴⁰ Matau, "Dark Days Ahead for Sugar Cane Farmers."

⁶⁴¹ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

⁶⁴² World Bank, "Terms-of-Reference for Feasibility Study for Ethanol in Fiji," (2007), <http://econsult.worldbank.org/suite/public/collaboration/GetDocument.none?doid=76129>.

EU will still remain a significant market for sugar exports in the short to medium term.⁶⁴³

6.6 *EU Sugar Adaptation Strategy*

With the ending of the Sugar Protocols, both the EU and the Sugar ACP countries believe it is vital to leave the sugar countries no worse off than before.⁶⁴⁴ “Its benefits and basic provisions must be maintained” in any successor regime.⁶⁴⁵ As part of the reforms of the Sugar Protocols, Multi-annual Sugar Adaptation Strategies were proposed to help alleviate some of the financial burdens and encourage reform in the industry.⁶⁴⁶ In September 2006, the Qarase government made its final submissions into what was to become the EU Sugar Adaptation Strategy for Fiji from 2006 to 2013.⁶⁴⁷ The effort by the EU to help with the preparation and management of the sector with a gradual transition away from the sugar protocols was welcomed by many boosting the start of much needed reform in this sector.⁶⁴⁸ A key aspect of the funding for the 2007 season was to replant 15% of Fiji’s crops in a denser pattern to increase sugar cane production to 70 metric tonnes per hectare.⁶⁴⁹ The entire EUSAS promises to provide \$F350m worth of assistance for certain modernisation and reorganisation projects in the industry.

⁶⁴³ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁶⁴⁴ Reuters, "Aco States Insist on Need for Eu Sugar Deal," *Reuters News*, 15 September, 2007.

⁶⁴⁵ Ibid.

⁶⁴⁶ European Commission, "Action Plan on Accompanying Measures for Sugar Protocol Countries Affected by the Reform of the Eu Sugar Regime," *Commission Staff Working Paper* SEC(2005)61, no. 17 January, (2005).

⁶⁴⁷ Fiji Times, "Chaudhry: We Have Signed a Deal," *Fiji Times*, 22 August, 2007.

⁶⁴⁸ Transparency International, "Fiji Interview 3 - Ngo Sector Interview". Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview". Leader of the Opposition, "Fiji Interview 31 - Governance Sector Interview", Howards Law Firm, "Fiji Interview 7 - Governance Sector Interview".

⁶⁴⁹ Fiji Times, "Chaudhry: We Have Signed a Deal."

6.6.1 *Content of the EUSAS*

The overall objective of the EUSAS is to contribute to restoring a sustainable and competitive sugar sector that is market driven, and meets developmental needs at a local level.⁶⁵⁰ This can only happen if Fiji achieves lower production costs, improves efficiency, and improves upon its economy of scale. Consequently, the EUSAS has three pillars.

- 1) “Support for restructuring of the sugar sector, based upon clear feasibility analyses and in parallel with clear national commitments on policies.
- 2) Support for diversification
- 3) Create measures to mitigate social impacts.”⁶⁵¹

A crucial part of the Sugar Adaptation Strategy is to find a way to arrest the decline in cane production and to restore it to levels of the early 90s of around four million tonnes of cane, which will in turn produce between 400,000 and 500,000 tonnes of sugar.⁶⁵² To this end, a central plank of the EUSAS is an accelerated cane replanting programme, with higher content sugar cane varieties planted more densely to increase yields.⁶⁵³ The suggested ideal figure of employees in the Sugar Sector is 5000 core farmers each supplying over 200 tonnes of cane. This will mean that over 20,000 people involved in the sector will “need to find alternate livelihoods if poverty levels are not to increase substantially.”⁶⁵⁴ Hence the need to have a social pillar to help these people find new careers. The diversification pillar focuses on employing sugar for ethanol production, and cogeneration of electricity

⁶⁵⁰ Delegation of the European Union for the Pacific, "Sugar Fiji: National Adaptation Strategy."

⁶⁵¹ European Commission, "Ec Multi-Annual Adaptation Strategy for the Period 2006 to 2013 for Fiji, under the Accompanying Measures for Sugar Protocol Countries," *European Union Sugar Adaptation Strategy* (2006).

⁶⁵² Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁶⁵³ Ibid.

⁶⁵⁴ European Commission, "Ec Multi-Annual Adaptation Strategy for the Period 2006 to 2013 for Fiji, under the Accompanying Measures for Sugar Protocol Countries."

from a by-product of sugar the bagasse. For the first three years €60m has been allocated to Fiji as follows.

Funding Allocations for the National Adaptation Strategy

	Amount	%
Productivity improvement and cost reduction in the sugar sector	€26.864m	44.80%
Services and supply capacities in agriculture	€27.28m	45.40%
Local development strategies for socio-economic needs	€2.83m	4.70%
Coordination and monitoring	€3.05m	5.10%

Total €60.024m

Figure 28: Funding Allocations for the EU Sugar adaptation strategy for the years 2008-2010⁶⁵⁵

6.6.2 Concerns - General

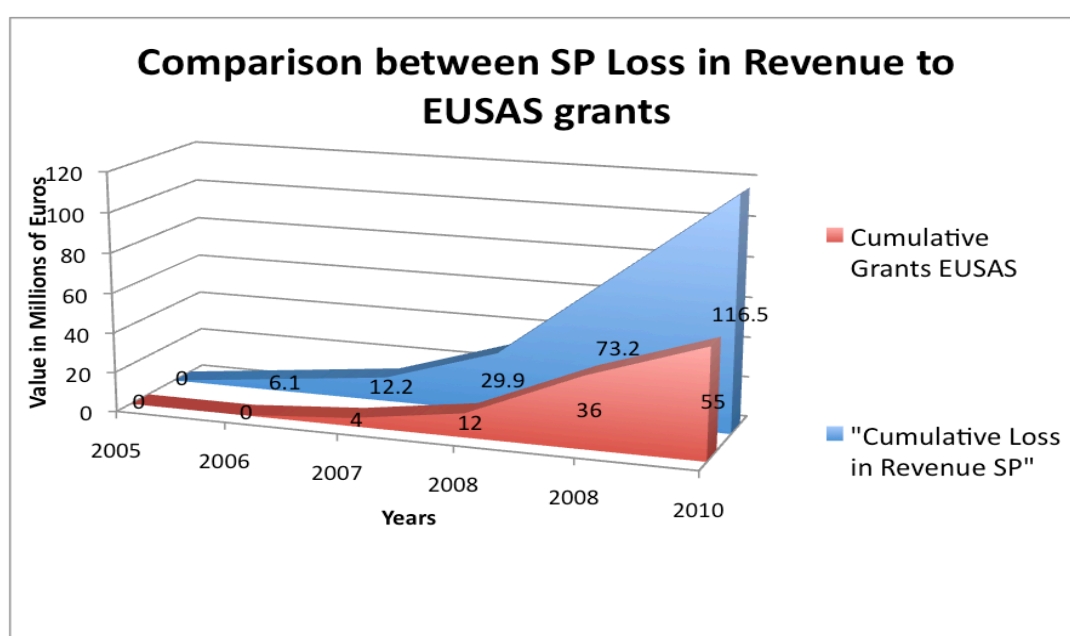


Figure 29: Comparison Between Sugar Protocol loss in revenue and EUSAS grants, assuming 200,000 tonnes of sugar exported to the EU annually.

The FSRI voiced several concerns about the structure and implementation of the EUSAS. The strongest one is that the funding is back-loaded, with small initial

⁶⁵⁵ Delegation of the European Union for the Pacific, "Sugar Fiji: National Adaptation Strategy."

grants that grow in later years. This means that by September 2009 the cut to sugar cane prices will be 36%, but the bulk of the funding to deal with this revenue loss will not be available until 2010.⁶⁵⁶ It would have been preferable if the money was front-loaded with large initial allocations and tapering off as years progress, to enable reforms to occur quicker and prevent the situation that is occurring now.⁶⁵⁷ The FSRI also questions the need for a proper safety net in the EUSAS. If the industry reforms are successful and the sugar sector becomes sustainable, then there wouldn't be any need for a safety net, because continuation and security of employment would still exist.⁶⁵⁸ However, as illustrated, even with successful reforms there will be a significant loss of employment in the sector validating the safety net aspect of the EUSAS.

The FSRI claims that with promised funding of F\$350m dollars, a comprehensive irrigation system could have been developed drastically increasing yields of the sugar industry more so than where the funding is promised now.⁶⁵⁹ With irrigation and use of different cane varieties, the sugar industry could produce year round allowing for more regular employment and continuous operation of the sugar mills.⁶⁶⁰ The FSRI is saddened by the EU consultants, who declined to consider this.⁶⁶¹ Finally, the FSRI is concerned that the EUSAS is trying to do too many things with not enough funding, and as such will not be a total success story.⁶⁶²

It is clear that without restructuring Fiji will not be able to compete on the world market especially against the large producers of sugar like Thailand, Brazil, and

⁶⁵⁶ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

⁶⁵⁷ Ibid.

⁶⁵⁸ Ibid.

⁶⁵⁹ Ibid.

⁶⁶⁰ Ibid.

⁶⁶¹ Ibid.

⁶⁶² Ibid.

Australia.⁶⁶³ The results of the reforming of the Sugar Protocols are very significant, however the accompanying Sugar Adaptation Strategy may just be the impetus the sugar industry needs to organise reform. Despite concerns regarding the EUSAS, Fijians are reluctant to criticise the EU directly believing that they are operating in good faith to genuinely help the industry. Concern is directed instead at the consultants hired by the EU who wrote the strategy paper, and appeared to arrive in Fiji with pre-determined objectives and ideas.⁶⁶⁴ In April 2007, Mahendra Chaudhry as the Finance and Sugar Minister stated that he had a lot of faith in the EU to understand the plight of the sugar industry, and he stipulated that if it totally lost EU assistance, Fiji's economy could suffer "a severe blow from which [it] may not recover."⁶⁶⁵

6.7 *Bainimarama Coup*

It was predicted in 2004 that a 30% decline in the sugar industry would drop the GDP in real terms by 1.8%.⁶⁶⁶ The real effect of the decline in the sugar industry is less certain. Nevertheless, a combination of the sugar industry production decline and the coup of December 2006, and global economic conditions caused the GDP to plummet by 7% in 2007.⁶⁶⁷ Such a massive contraction of the Fijian economy could not happen at a more inopportune time for the sugar sector desperate to enact change. Reports that Fiji could lose EU sugar funding started only days after the coup occurred in 2006. In May 2007, it was claimed that total aid losses could amount to F\$274m.⁶⁶⁸ Dr. Ridolfi, the Head of EU Del Pac, suggested that aid and

⁶⁶³ Claire Innes, "Eu Meeting Convenes to Discuss Fate of Fijian Sugar Subsidies," *Global Insight - Daily Analysis*, 20 February, 2007.

⁶⁶⁴ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

⁶⁶⁵ Fiji Times, "State to Lobby Eu for Aid," *Fiji Times*, 4 April, 2007.

⁶⁶⁶ Narayan and Prasad, "Economic Importance of the Sugar Industry in Fiji: Simulating the Impact of a 30% Decline in Sugar Production.."

⁶⁶⁷ Fiji Islands Bureau of Statistics, "3.1 Gross Domestic Product of Fiji," in *Key Statistics*, ed. Fiji Islands Bureau of Statistics (Suva: Fiji Islands Bureau of Statistics,, 2009).

⁶⁶⁸ Fiji Times, "Fiji May Lose Assistance from Eu: Ridolfi."

EUSAS money could be redistributed to other countries in the Pacific or farther afield.⁶⁶⁹ Jagannath Sami, the former CEO of the Sugar Cane Growers Council, was immediately concerned about the implications of the 2006 coup for the sugar industry. It was reported that he feared the total collapse of the industry both before and after the coup 2006 occurred, with particular reference to the ramifications if ‘vital’ EU funding was withheld.⁶⁷⁰ He stated that the whole restructure of the industry was dependent on the \$350 Million Fijian the EUSAS plan, and without it the country could fall into anarchy.⁶⁷¹

6.7.1 *EUSAS Funding Tie to Democracy & Cancellation*

In October 2007, the interim government and the European Union reached a deal securing sugar reform funding for the next 3 years, conditionally tied to progress towards restoration of a democratic government coming into force from October 2007. This concluded Article 96 negotiations that started in February 2007⁶⁷² and the funding for the 2006 allocation was released to the value of €4 Million.⁶⁷³ The EU Pacific Delegation confirms that, despite the earlier comments of Ridolfi, all earmarked money for Fiji remains waiting to be allocated. It is more the timing of when and how that funding is released that is affected by the present political situation.⁶⁷⁴ In December 2008, the European Commission deduced that the promised elections by March 2009 or in 2009 at all, were unlikely to occur. Consequently as per the agreement, the 2008 allocation of EUSAS moneys totalling €8 Million was cancelled. On May 18 2009, the European Union, in light of the

⁶⁶⁹ Ibid.

⁶⁷⁰ ———, "Sugar Industry under Threat." Janine, "Crisis to Cost Sugar Industry \$350m." Lilley, "Fiji Sugar Industry Says It Faces Collapse If the Eu Cancels Aid Package.."

⁶⁷¹ Janine, "Crisis to Cost Sugar Industry \$350m.", Fiji Times, "Sugar Industry under Threat.", ———, "Sugar Institute Pleads with Eu," *Fiji Times*, 12 December, 2006.

⁶⁷² Innes, "Eu Meeting Convenes to Discuss Fate of Fijian Sugar Subsidies."

⁶⁷³ Fiji Times, "Chaudhry: We Have Signed a Deal."

⁶⁷⁴ Editor, "Fiji Cane Farmers Suffer without Eu Funds," *Pacific Islands Report* 2009.

abrogation of the constitution, and the pushing back of elections from 2009 until 2014, has cancelled its assistance payments for the sugar sector for the second year running. The value of the cancelled funds equates to €24 Million and sets back the EUSAS timetable indefinitely raising concerns that it will never be properly implemented.⁶⁷⁵ However, the changes to the Sugar Protocols are still going ahead as scheduled. This means EUSAS funding that was already backlogged is now guaranteed not to arrive until well after reductions in profits have occurred. There is a real potential for thousands to be forced from the industry and into poverty.⁶⁷⁶ European Commissioner Louis Michel defends the EUSAS funding halt reiterating that the payments were conditional upon a progress towards a legitimate government, as per the EU-Fiji agreement in April 2007.⁶⁷⁷ Therefore, the decisions of Bainimarama and the interim government are the sole reasons for the dire situation.

Although the EUSAS funding is officially halted, The EU prefers to view it as more of a stop and go exercise as of 2008.⁶⁷⁸ When there are some indications of democratic progress, some proportion of funding is released, and when there is no progress funding is halted again. “It is extremely difficult for us (the EU), and it must be extremely difficult for the sugar industry too”⁶⁷⁹ with its need to plan ahead which is reliant upon a steady stream of support and income. It is clear that “The European Union is putting a gun to our heads when it come to sugar.”⁶⁸⁰ It is the EU that is the main importer of sugar, the EU that created the Sugar Protocol

⁶⁷⁵ Campbell Cooney, "Fiji Loses Valuable European Subsidies," *ABC News*, (2009), <http://www.abc.net.au/news/stories/2009/05/18/2573457.htm?section=justin>, George Cunningham, "Eu Says Fiji Roadmap May Affect Sugar Assistance Review," *Radio New Zealand*, (2009), <http://www.rnzi.com/pages/news.php?op=read&id=47521>.

⁶⁷⁶ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

⁶⁷⁷ Louis Michel, "Statement by European Commissioner Louis Michel on Fiji " *European Commission Press Release*, (2009), <http://www.delfi.ec.europa.eu/en/index.htm>.

⁶⁷⁸ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview".

⁶⁷⁹ Ibid.

⁶⁸⁰ International School Suva, "Fiji Interview 19 - Education Sector Interview".

pricing options, and once dependency occurred, removed them. It was the EU that offered the most determined strategic solution to the sugar crisis, and the EU that is now by removing this funding causing the greatest threat to the viability of the sector.⁶⁸¹ Bainimarama supporters suggest the theoretical ‘gun’ the EU is using on Fiji is far worse than the actual guns used to initiate the 2006 coup because the ramifications of the EU policy could cause far greater ‘wounds’.⁶⁸²

Chaudhry is right when claiming that the EU has a good grasp of the importance of Fiji’s sugar industry.⁶⁸³ In December 2008, there was a call for the unions of the sugar industry to unite and try to pressure the government into staging elections as soon as possible.⁶⁸⁴ This shows that the EU decision is having some effect upon mobilising opposition to the regime. The regimes response has been very negative, ignoring such calls and increasing suppression of opposition voices and the media. Fears that the industry is destined to collapse if the EU Grants continue to be withheld, could still come true.⁶⁸⁵ The sad thing about EU actions is the sugar farmers, who are innocent bystanders of the coup, have become the victims.⁶⁸⁶ The EU is directly attacking the sustainability and livelihoods of sugarcane farmers, some of the poorest people in Fiji, with no political affect on the interim regime to exact more rapid democratic change.⁶⁸⁷ On the contrary, the EU has indirectly caused the regime to become more autocratic, stoic, cause greater human rights violations, and destroy more democratic freedoms. However the EU maybe having some affect. Bainimarama showed his concern about EU actions and fear for the sugar workers livelihoods in his speeches. In May 2009 he called for the EU to

⁶⁸¹ Ibid.

⁶⁸² Ibid.

⁶⁸³ Fiji Times, "\$350m Is Our Share, Chaudhry Maintains."

⁶⁸⁴ ———, "Sugar Unions Must Unite: Sami," *Fiji Times*, 6 December, 2008.

⁶⁸⁵ Ibid.

⁶⁸⁶ ———, "Sugar Institute Pleads with Eu."

⁶⁸⁷ Prasad, "Darkness Surrounds New Path in Fiji."

reconsider its stance regarding the withdrawal of aid for reforming the sugar industry.⁶⁸⁸ He suggested that the EUSAS should be a humanitarian and developmental aid issue on par with the EDF programmes, which the EU has resolved not to stop. The EU considers the EUSAS an economic trade issue and with it affecting such a large proportion of the Fijian population, the most severe ‘economic sanction’ it can exert on Fiji. With reduced profits and a reduced GDP, it is very hard for Fiji to divert any resources itself to the restructure and rehabilitation of the industry. Bainimarama concedes that such work is needed urgently to ensure the future viability of the industry, but he remains unmoved about pushing forward democratic reform and elections from September 2014.⁶⁸⁹ Clearly, even this desperate economic situation is less important to Bainimarama than the constitutional and electoral reforms he wishes to instigate.

6.8 Implications: Response of the Sugar Sector

Estimates suggest that many sugarcane farmers are in poverty conditions, and they are set to get worse.⁶⁹⁰ However, optimists argue that true poverty conditions should not exist for any person with land, for they should be able to grow enough for a subsistence living, despite their incomes possibly falling below the poverty line. Farmers will still not be in true poverty conditions.⁶⁹¹ Regardless, it is accepted that the farmer’s lifestyles are dramatically changing because of the considerable drop in income from the EU Sugar Protocols.⁶⁹² An increase in the number of people moving away from the rural areas into urban squatter settlements is also happening.⁶⁹³ Commentators and industry employees alike emphasise the

⁶⁸⁸ Fiji Broadcasting Corporation, "Fiji Pm Urges Eu to Reconsider Stand."

⁶⁸⁹ Ibid.

⁶⁹⁰ Lal, *Ganna; Portrait of the Fiji Sugar Industry*.

⁶⁹¹ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

⁶⁹² Ibid.

⁶⁹³ Lal, *Ganna; Portrait of the Fiji Sugar Industry*.

significance and detrimental impact of the EU decision to withhold EUSAS grants.⁶⁹⁴ The bleak future of around 20,000 farmers directly and over 50,000 people in the industry could become a humanitarian catastrophe.⁶⁹⁵ Nevertheless, there is a determination that reform must continue despite pressing circumstances. “I would like to say that for us in the industry, I think it is time to face reality. We have been living in a dreamland all this while.”⁶⁹⁶ For example, SCGC is now searching for alternative funding to the amount of F\$13m for reforms and replanting programmes.⁶⁹⁷ This is one of many programmes initiated and earmarked for funding by the EUSAS. There are other positive signs of the determination and resilience of the people in the Sugar Sector.

6.8.1 Fiji Government Actions: Funding, Dollar Devaluation & Tax Incentives

The Fiji Government has responded to the loss of the EUSAS by allocating F\$19m in 2009 towards the sugar sector of which F\$5m is for cane rehabilitation in those areas affected by the floods of January 2009, and F\$7m for the replanting programmes.⁶⁹⁸ In June 2009, the GoF committed additional F\$1.8m towards construction and upgrading of some cane access roads.⁶⁹⁹ The funding is welcomed by the sugar industry whilst being criticised as “grossly inadequate,”⁷⁰⁰ and compensates for less than a quarter of the funding lost by the EU decisions. F\$5m

⁶⁹⁴ Fiji Times, "Sweet Deal."

⁶⁹⁵ Ashwini Prasad, "Eu Warns Fiji on Sugar Aid," *Fiji Times*, 5 March 2007 2007.

⁶⁹⁶ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁶⁹⁷ Editor, "Fiji Cane Farmers Suffer without Eu Funds."

⁶⁹⁸ Fiji Broadcasting Corporation, "Fiji Government to Continue Own Sugar Reforms.", Reuters, "Fiji Sugar Corp Sees Sweet Future Despite Eu Loss."

⁶⁹⁹ Ministry of Information: Fiji, "Govt Commits \$1.8 for Cane Access Roads.."

⁷⁰⁰ Fiji Times, "Sweet Deal."

may not be enough to salvage the industry being millions less that adequate compensation from the EUSAS.⁷⁰¹

In November 2008, the interim regime announced new Tax Free Regions (TFR) and tax holidays for projects in the agricultural sector. The tax holidays are valid for 10 years for existing companies and 13 years for new companies. If a quarter of the equity comes from indigenous Fijians, then an additional 5 years of tax free benefits will be received.⁷⁰² To qualify for the tax exemption it needs to be shown that a minimum of a F\$2 million investment has been made into the sector and employment made for at least of 30 locals. The goal is to encourage investment in processing agricultural commodities for export and the tourism markets, as well as conversion of plant materials like sugar, coconut, and cassava into bio-fuels.⁷⁰³

In April 2009, there was a devaluation of the Fiji Dollar by 20% which helps in the short term increase the revenue from sugar per tonne and compensate for the reduction of the sugar price from the EU sugar protocols.⁷⁰⁴ This allows the FSC to pay cane farmers at the established rate.⁷⁰⁵ The devaluation however, is only a very short term solution and the essential problem of stagnated profitability remains, and it causes other issues like a rapid rise in inflation and increase in import prices.

6.8.2 FSC Actions: Continued Sales, EU based reforms, Mill Upgrades

Despite the cancellation of EUSAS funding, the FSC still has secured a deal to supply sugar to the EU market. In May 2008 it was reported that Fiji will supply 300,000 tonnes of sugar a year to European refiners Tate & Lyle, in a deal reputed

⁷⁰¹ ———, "Sugar Unions Must Unite: Sami."

⁷⁰² ———, "Tfr and Agriculture Incentives in 2009 Budget," *Fiji Times*, 21 November, 2008.

⁷⁰³ Ibid.

⁷⁰⁴ Fiji Broadcasting Corporation, "Sugar Proceeds to Increase," (2009), <http://www.radiofiji.com.fj/fullstory.php?id=19729>.

⁷⁰⁵ Fiji Live, "Fsc Forecasts 33% Cane Price Increase," *Fiji Live*, (2009), <http://www.fijilive.com/news/2009/04/24/15545.Fijilive>.

to be worth more than a billion Fijian dollars.⁷⁰⁶ However, Bela Dass of the SCGC, wonders upon what basis the 300,000 tonne agreement was signed, because there is not that amount of yield in the fields at the moment. For the 2009 season, production is forecast to increase to 245,000 tonnes of sugar.⁷⁰⁷ He suggests that optimistically it will take 2 years to raise production to the contracted 300,000 tonnes.⁷⁰⁸

In 2008, the FSC secured a \$100 Million Dollar Loan for upgrading the Sugar Mills which should create improvements in milling efficiency for 2009.⁷⁰⁹ Initial speculation is that with the sugar mill upgrades in the 2009 season, Fiji will produce more sugar from the same amount of cane, which will also increase the return price per tonne.⁷¹⁰ During crushing season, the SCGC was concerned that the upgrades to the sugar mills was resulting in frequent disruptions.⁷¹¹ As a result, Tonnes of cut cane had to be left on trucks and carriages for days on end lowering the quality and quantity of sugar produced.⁷¹² The Lautoka Mill stopped crushing for a least 24 hours, whilst the Rarawai Mill had a recent 48 hour stoppage.⁷¹³ Such stoppages caused about 5000 tonnes of cane to be left stocked in the mill yard for crushing.⁷¹⁴

At the end of May 2009, the FSC released a statement confirming that diversification into ethanol, cogeneration from bagasse, and replanting of diverse cane crops, all are integral to the reform program and the success of the sugar sector. The release confirmed that feasibility studies have been concluded, and

⁷⁰⁶ Fiji Times, "Sweet Deal."

⁷⁰⁷ ———, "Sugar Income to Drop," *Fiji Times*, 4 December, 2008.

⁷⁰⁸ ABC Online, "Eu Says Not Involved in New Fiji Sugar Deal."

⁷⁰⁹ Lal, *Ganna; Portrait of the Fiji Sugar Industry*. p113

⁷¹⁰ Fiji Broadcasting Corporation, "Fiji Government to Continue Own Sugar Reforms."

⁷¹¹ Fiji Times, "Farmers Not Sure of Sugar Sales," *Fiji Times*, 10 June, 2007.

⁷¹² Ibid.

⁷¹³ Sheetal Sing, "Sugar Mills Crush Again," *Fiji Times*, 7 July, 2009.

⁷¹⁴ Ibid.

implementation will happen after the mills settle with their new technologies that have been bought and installed by virtue of a loan from India.⁷¹⁵ These projects provide very real possibilities of pulling the FSC out of insolvency and back into profitability.⁷¹⁶ The FSC is thus continuing the best it can with implementing the EUSAS despite it not receiving any funding for it from the EU directly. Indeed, Deo Saran the CEO of the Fiji Sugar Corporation stated that “we remain positive despite all the adversity of the political dimensions thrown at the sugar industry,” and is hopeful that double the amount of land will be planted with sugar cane in 2010.⁷¹⁷

The FSC has shown an interest in large-scale mechanised sugar farming in Fiji, a necessary step if it is to remain competitive on the world stage. It plans on negotiating and leasing parcels of land a minimum of 75 Hectares in size, in relatively flat sugar producing areas. A move into farming by the FSC will make the industry more vertically integrated, should be a way to increase profits and efficiency.⁷¹⁸ Despite land issues being such an intense and sensitive area of negotiation, there appears to be some success in this area, and last year almost to 200 leases were endorsed involving more than 10,000 hectares of land. This means the average farm size being leased is around 50 Hectares, a massive improvement on the traditional 4 hectare family plot.⁷¹⁹ Harvest mechanisation also helps reduce the need to burn the sugar cane, and so will aid in increasing the quality of the harvest as well as quantity.⁷²⁰ Mechanisation is vital to compete with larger cane growers in the world. The average cane farm size in Australia is 73 Hectares with

⁷¹⁵ Ministry of Information: Fiji, "Diversification, Integral Part of Overall Reform for Sugar" (Suva, 28 May, 2009).

⁷¹⁶ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁷¹⁷ Reuters, "Fiji Sugar Corp Sees Sweet Future Despite Eu Loss."

⁷¹⁸ Ibid.

⁷¹⁹ Ministry of Information: Fiji, "Govt Commits \$1.8 for Cane Access Roads.."

⁷²⁰ Demirbas and Balat, "Recent Advances on the Production and Utilisation Trends of Bio-Fuels: A Global Perspective."

some farms having more than 250 hectares. Each of these farms are worked by only a handful of people.⁷²¹

Another suggestion of the EUSAS was for the FSC to buy cane not on weight but sugar content, thus discouraging the supply of burnt cane, while getting the maximum supply of bagasse possible. New equipment for this purpose was installed at the Lautoka Mill in 2008 and the other three mills gained such equipment as part of their upgrades before the crushing season of 2009.⁷²² There is also a significant amount of investigation happening into how to improve and reorganise the transportation of the cane harvest.⁷²³

6.8.3 *Sugar - Ethanol Production*

As the world market price of oil increases, feasibility studies of many potential bio-fuels become increasingly common. Sugar cane is often cited as one of the crops that has the greatest potential.⁷²⁴ Global bio-ethanol production has risen steadily since 1975 and about 60% of global output comes from sugar crops. The price of ethanol therefore largely parallels the global market price for sugar.⁷²⁵ The fermentation process from sugar to ethanol produces and overall efficiency of 41.2%.⁷²⁶ Ethanol production has a positive outlook with global demand expected to more than double 2006 supply rates by 2016 as sustainable energy security issues remain unsolved.⁷²⁷ However, larger sugar producers like Australia and Thailand have scaled back their ethanol industries and need to substantially subsidise them,

⁷²¹ Canegrowers, "About the Industry,"(2009), <http://www.canegrowers.com.au/industry/sugarcane-industry.aspx>. Fiji Employers Federation, "Fiji Interview 10 - Economy Sector Interview".

⁷²² Fiji Times, "Plans to Improve Sugar Content," *Fiji Times*, 18 December, 2008.

⁷²³ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁷²⁴ Versteeg, "Bioethanol Production in Fiji: An Environmentally Sustainable Project?."

⁷²⁵ Ibid.

⁷²⁶ Demirbas and Balat, "Recent Advances on the Production and Utilisation Trends of Bio-Fuels: A Global Perspective."

⁷²⁷ Ibid.

because they are currently experiencing unsatisfactory and unprofitable returns.⁷²⁸ This must be of concern to Fiji as it looks for diversification programmes. Fiji consumes about 80 million litres of petrol each year for consumption by cars. All this petrol has to be imported into Fiji as a finished refined product due to a lack of refining equipment on the island.⁷²⁹ Additionally, Fiji imports a total of 688 million litres of oil for electricity generation.⁷³⁰ Fiji as an island state also needs to import most industrial items and a significant portion of its food.⁷³¹ As the cost of oil increases so do all facets of living in Fiji. For long term development it is necessary for states like Fiji to tap into other sources of energy, that are renewable, sustainable, and environmentally friendly.⁷³² Studies have shown that bio-ethanol can be blended with petrol to be used in cars without any engine modifications in a blend that contains up to 10% ethanol.⁷³³ Ethanol contains only 2/3 of the energy of petrol, and so higher blend concentrations require different engine technologies. By blending ethanol with petrol, the combustion efficiency of the car is also improved, and CO₂ emissions are slightly reduced.⁷³⁴ Thus, there is a ready market in Fiji for 8 million litres of ethanol, if it can be produced at a cost less than petrol, and will help reduce fuel prices overall.

When the sugar industry was receiving high preferential prices from the European Union, these provided a higher income than ethanol, but with Sugar Protocol reforms coupled with higher oil prices, profits are very possible.⁷³⁵ To increase ethanol yields, utilising strains of sugar crops that have a higher proportion of total

⁷²⁸ World Bank, "Terms-of-Reference for Feasibility Study for Ethanol in Fiji."

⁷²⁹ Ibid.

⁷³⁰ Ibid.

⁷³¹ Versteeg, "Bioethanol Production in Fiji: An Environmentally Sustainable Project?."

⁷³² Ibid.

⁷³³ World Bank, "Terms-of-Reference for Feasibility Study for Ethanol in Fiji."

⁷³⁴ Versteeg, "Bioethanol Production in Fiji: An Environmentally Sustainable Project?."

⁷³⁵ World Bank, "Terms-of-Reference for Feasibility Study for Ethanol in Fiji."

sugars is a necessary step.⁷³⁶ Replanting such high sugar content crops will also help the sugar industry fulfil its quota obligations to the EU and other partners. The use of the sugar by-product of molasses as the suggested product to use for ethanol production.⁷³⁷ For ethanol to be viable in the longer term there needs to be a 30% increase in production of cane, so the industry can provide contracted quotas and have an excess for expected local ethanol demand. Significant investment into an ethanol conversion plant in Fiji would be necessary, and initial interest from private investors is positive.⁷³⁸ The impact of the ethanol industry must be considered beyond economics in a wider cultural, social, and political context.⁷³⁹ There is political support, a social necessity for the continuation of sugar production, even if it does only gain marginal returns. If ethanol is one way to ensure the continued viability of the sugar industry, its development must be given expediency. Nevertheless, it is an field that needs to be approached with caution, and be used only in conjunction with several other options for the survival of the sugar industry.

6.8.4 *Bagasse - Electricity Production “Cogeneration”*

Electricity prices in Fiji have risen due to an increase in demand and because 20% of generation comes from fossil fuels. 89% of Sugarcane is considered ‘by-product’ of the sugar milling process and includes molasses, water, and a fibrous pulp called bagasse. Sugar mills have for years used bagasse for electricity generation to power the milling machines. Any excess power can be transferred back into the main electric grid, if transformers and appropriate connections are in place.⁷⁴⁰ It is estimated that up to 25% of the electricity produced from bagasse is surplus and can

⁷³⁶ Versteeg, "Bioethanol Production in Fiji: An Environmentally Sustainable Project?."

⁷³⁷ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

⁷³⁸ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁷³⁹ Versteeg, "Bioethanol Production in Fiji: An Environmentally Sustainable Project?."

⁷⁴⁰ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

be exported.⁷⁴¹ With state of the art technology between 60 to 180 Kw of electricity can be produced per tonne of processed cane.⁷⁴² There are ongoing discussions with the FEA to come up with mutually beneficial options.⁷⁴³ There has always been excess power from the bagasse, supplied to the FEA since significant upgrading an installation of boilers and generators in the 90s. However, formalising the arrangement and making it a separate and viable business model, is only a recent innovation. To date there has been almost F\$300 million spent in capital expenditure for the mills with few tangible economic returns.⁷⁴⁴ On average 25MW of electricity is produced and 7MW exported to the national grid. With better technologies up to 60MW could be produced from the same about of bagasse per season.⁷⁴⁵ Unlike ethanol production which is considered contentious, using bagasse for electricity co-generation is almost universally supported.⁷⁴⁶ Using alternative energy sources from sugar by-products, to create ‘end user’ products where profits can be more substantial, is both logical and viable.

6.8.5 *Native Land Reform*

Land ownership in Fiji needs to be “severely and critically looked at.” If there is a way to make lease arrangements more like a commercial agreement between two people, without the influence of politics, then greater demand and productivity

⁷⁴¹ Versteeg, "Bioethanol Production in Fiji: An Environmentally Sustainable Project?."

⁷⁴² R. P. Beeharry, "Extended Sugarcane Biomass Utilisation for Exportable Electricity Production in Mauritius," *Biomass and Bioenergy* 11, no. 8 (1996).

⁷⁴³ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁷⁴⁴ Ibid. Paresh K. Narayan and Biman C. Prasad, "Fiji's Sugar, Tourism, and Garment Industries: A Survey of Performance, Problems, and Potentials," *Fijian Studies* 1, no. 1 (2003). Oxfam, "The Fijian Sugar Industry: Investing in Sustainable Technology."

⁷⁴⁵ S. Prasad, "Energy Aspects of the Fiji's Sugar Industry: A Case for More Efficient Electricity Generation from Bagasse," *Fijian Studies* 1, no. 2 (2003).

⁷⁴⁶ Fiji Sugar Corporation, "The Fiji Sugar Industry: Sugar Industry Strategic Plan.", Narayan and Prasad, "Fiji's Sugar, Tourism, and Garment Industries: A Survey of Performance, Problems, and Potentials.", Oxfam, "The Fijian Sugar Industry: Investing in Sustainable Technology.", Prasad, "Energy Aspects of the Fiji's Sugar Industry: A Case for More Efficient Electricity Generation from Bagasse."

would result.⁷⁴⁷ P. Lal has developed, a sophisticated ‘negotiation support system’ (NSS) to help resolve concerns by landowners and lessees regarding fair and equitable ‘market based rents’ for use of native land. She uses computer modelling based upon the large databases she has accumulated. She declares that the system is an objective and systematic way of estimating rent which helps prevent misinformation and mis-perceptions that are often the cause of land lease conflict.⁷⁴⁸ Core to this system is an ability to divide, combine, and transfer grower entitlements from one farmer to another and to simulate a standard commercial system that reflects clearly what is the present market supply and demand.⁷⁴⁹ In July 2009, Frank Bainimarama declared he would implement major land reforms from the beginning of 2010 that will allow the present system of ownership to remain, while ensuring leases are negotiated on a longer term basis and that those leases are more equitable and commercially viable.⁷⁵⁰ Whether these reforms are based upon any of Lal’s proposals remains to be answered, but if they are they’ll create a more positive outlook for Bainimarama by the academic community, proving he is genuine in wanting to help solve a key sugar industry concern.

6.8.6 *Repackaging of Sugar*

A fairly low cost diversification option is to repack sugar into smaller consumer orientated packaging to sell at a premium directly to the supermarkets and hotels. At present, the FSC packs sugar into 50Kg and 25Kg bags for export into the Pacific region, and there is a packaging plant in Vanuatu that reduces this to 1Kg bags. With demand for sugar sachets from the tourism industry and the airlines, there is a ready market for repackaging of sugar into smaller consumer orientated amounts.⁷⁵¹

⁷⁴⁷ Canegrowers, "About the Industry."

⁷⁴⁸ Lal, *Ganna; Portrait of the Fiji Sugar Industry*. p155

⁷⁴⁹ Lal and Reddy, "Old Wine in a New Bottle? Proposed Sugar Industry Restructuring and Land Conflict in Fiji."

⁷⁵⁰ Bainimarama, "A Strategic Framework for Change".

⁷⁵¹ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

It has not occurred in Fiji yet because the EU Sugar Protocol provided preferential market access only for raw unpacked sugar according to Article 5-3.⁷⁵² With changes in the Sugar Protocols, there are no restrictions, and feasibility studies by the FSMC show that repackaging of sugar would be very profitable. It only needs the initiative of a private company with the capital and expertise to establish a partnership with the FSC.⁷⁵³ Increasing vertical integration of the FSC like this will help increase profits, employment, and will also help retain additional income from the tourism sector.

6.9 Diversification Beyond Sugar

Overall, the skill levels of sugarcane farmers is low and the occupation is considered the bottom of the socioeconomic ladder. School leavers and university graduates from sugarcane families will rarely return to agriculture. In a feature article, a cane farmer noted that he wouldn't recommend to anyone to enter the industry, rather try and stay at school and get a good job in the city.⁷⁵⁴ It will require a long time frame with intensive vocational training for sugar farmers to move to an alternate crop.⁷⁵⁵ There are many crops and options outside the sugar industry for Fiji, such as the production of high quality tropical fruit for export. Farmers realise that they have to diversify, and are looking into alternative crops that will provide a viable income.⁷⁵⁶ A concern voiced by the FSRI is that sugar diversification into other crops or other industries outside of cane, while a good idea in principle, is difficult to enact.⁷⁵⁷ Sugar is a very easy crop to plant and manage, and because profits were good with the Sugar Protocols, there was no need to diversify. Moving

⁷⁵² European Commission, "Annex 5 of the Cotonou Agreement: Sugar Protocol General Trade Agreement."

⁷⁵³ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁷⁵⁴ Sing, "Road of Hardship."

⁷⁵⁵ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

⁷⁵⁶ Matau, "Dark Days Ahead for Sugar Cane Farmers."

⁷⁵⁷ Fiji Sugar Research Institute, "Fiji Interview 30 - Sugar Sector Interview".

into more labour intensive vegetable crops that the farmers don't have the expertise or equipment to manage, is a recipe for disaster.⁷⁵⁸ The FSRI concludes that diversification therefore must primarily come from other uses of sugar, rather than direct changes away from the sugar cane crop.⁷⁵⁹ It will take years of intensive funding and training to effect substantial change for farmers from sugar to other crops.

In April 2009, it was reported that diversification was indeed happening rapidly beyond sugar. The agriculture sector outside of sugar recorded an impressive 30% growth in production, and its relative contribution to the GDP has gone from 7.3% in 2006 to 8.3% in 2007.⁷⁶⁰ However, it must be noted that this unsubstantiated report comes from a Fiji Times newspaper still heavily restricted in terms of what it is allowed to publish. Other sources will be needed to corroborate this positive jump. If indeed true, then it is proving that the search and utilisation of other agricultural products outside of sugar is underway and garnering positive returns.

6.10 Conclusion

The sugar industry has reached a critical crossroad, and time is running out. In the short term there are, and will be, many casualties of trade liberalization and reform processes.⁷⁶¹ A lack of funding at what is a critical juncture for the sugar industry could well cause the industry to collapse.⁷⁶² It is clear that the farmers are feeling the burden of the removal of the Sugar Protocols, and it is increasingly hard to make a good living, or even make ends meet.⁷⁶³ However, there is still optimism in the

⁷⁵⁸ Ibid.

⁷⁵⁹ Ibid.

⁷⁶⁰ Fiji Times, "Food Production up 30%," *Fiji Times*, 8 April, 2009.

⁷⁶¹ Lal, *Ganna; Portrait of the Fiji Sugar Industry*. Reddy, "Survival Strategies for the Fiji Sugar Industry." Versteeg, "Bioethanol Production in Fiji: An Environmentally Sustainable Project?."

⁷⁶² Fiji Times, "Sweet Deal."

⁷⁶³ Sing, "Road of Hardship."

sugar industry, with the Sugar Marketing Company stating that the industry is here to stay, and that they are looking beyond short-term issues to the long-term future.⁷⁶⁴ Government commitment still seems strong. In a speech in July 2009, Bainimarama stated that the Fijian Government is committed to robust and successful reforms of the sugar industry, and although funding has been criticised as not enough, it is all that can presently be spared.⁷⁶⁵ The recent EU actions have made it go from villain with the cancellation of the Sugar Protocols to hero with its EUSAS, and back to villain by tying the EUSAS funding to democratic change. The response by Fijians to the EU's actions in the sugar sector are overall, overwhelmingly negative. The Fiji sugar sector is now highly politicised both domestically and internationally, detrimentally affecting all those directly involved. It is uncertain as to what the future may hold for the sugar industry, but if stakeholders make their best efforts to remedy the difficult situation, and targeted investment comes from somewhere, it is possible for sugar to become a viable and profitable crop once more.⁷⁶⁶

⁷⁶⁴ Fiji Sugar Marketing Company, "Fiji Interview 29 - Sugar Sector Interview".

⁷⁶⁵ Bainimarama, "A Strategic Framework for Change".

⁷⁶⁶ Fiji Electoral Commission, "Fiji Interview 20 - Governance Sector Interview".

7 Fiji – Education Sector

7.1 General Background

The Fijian education system, compared to other developing countries in the South Pacific is comparatively good, with high literacy and diverse schools.⁷⁶⁷ It is crucial to have the basic building blocks of education for all sectors of society to function.⁷⁶⁸ Children have a huge capacity to learn, be influenced, and teachers are the “key that opens the door to the future.”⁷⁶⁹ Therefore, if there is a desire for long-term improvement or change in a society, it must start with the education sector.⁷⁷⁰ As the traditional saying by Henry B. Adams states, “A Teacher affects eternity; he can never tell where his influence stops.”⁷⁷¹ There are many concerns in the education sector that need to be addressed, with interviewees highlighting 8 critical areas. These concerns are; Curriculum, infrastructure, teachers salaries, management, IT, vocational education, civic education, and equality. With so many areas in need of improvement, opinion was split when asked which issue should be prioritised.

⁷⁶⁷ Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

⁷⁶⁸ Fiji Teachers Association: Official, "Fiji Interview 2 - Education Sector Interview".

⁷⁶⁹ Fiji Times, "Teachers Key for Better Future: Barr," *Fiji Times*, May 6, 2009.

⁷⁷⁰ Fiji Teachers Association: Official, "Fiji Interview 2 - Education Sector Interview".

⁷⁷¹ Henry Brook Adams, *The Education of Henry Adams, an Autobiography* Sentry Edition 3 ed. (Boston: Houghton Mifflin, 1961).

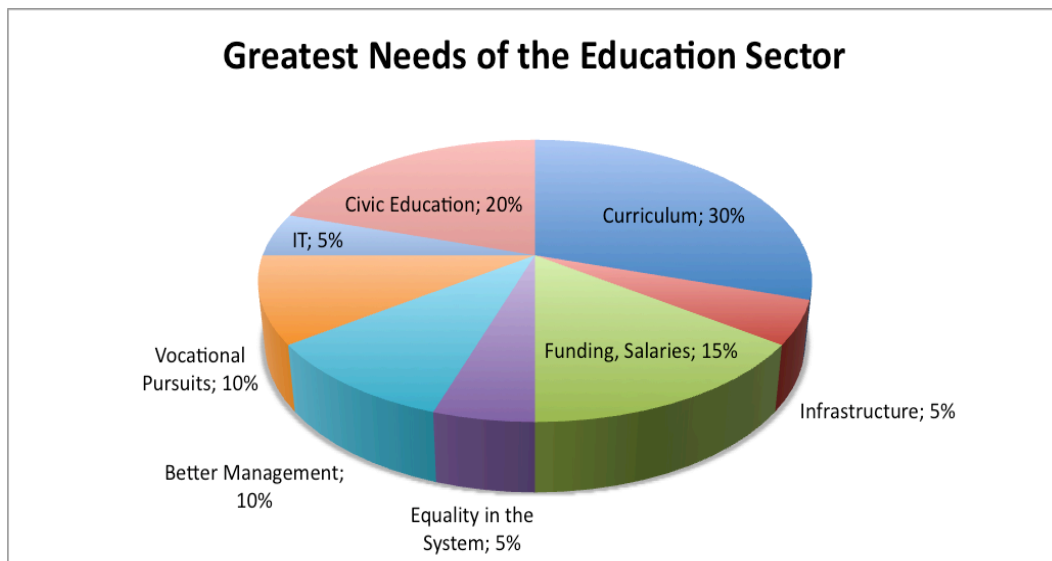


Figure 30: Greatest needs in the Education Sector (Indicative Opinion)

Some commentators are particularly scathing of the education system in Fiji describing it as “hierarchal, academic, and just meets out corporal punishment”⁷⁷² and has become “archaic and redundant.”⁷⁷³ The education sector does not prepare children for the future, or realities of modern life. For a lot of people education means getting a paid job as an employee. They are not prepared for self-employment with little management and trade skills. This is a considerable problem and a perception that needs to be changed, because there are not enough formal sector jobs in Fiji. Indeed, about 17,000 Fijians leave school every year, and only 5,000 of them successfully find jobs. This is a considerable and worrying statistic that must be improved.⁷⁷⁴ In 2006, the GoF launched the Suva Declaration on education, outlining Fiji’s key goals in this sector for the next 10 years.⁷⁷⁵ A key aspect of the declaration is to make sure all children have access to basic education,

⁷⁷² International School Suva, "Fiji Interview 19 - Education Sector Interview".

⁷⁷³ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁷⁷⁴ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

⁷⁷⁵ Government of Fiji, "Suva Declaration Launched," ed. Fiji Government Online Press Releases (Suva: Government of Fiji, 2006).

and that the curriculum is relevant for all social circumstances.⁷⁷⁶ The following sections will highlight specific challenges of the education sector, followed by the European Union developmental response in conjunction with other development partners.

7.1.1 Physical Infrastructure Concerns

Physical infrastructure in the rural areas is of particular concern with many schools and villages not having access to electricity, running water, shops, or modern amenities like television, radio, cell phones, internet, and the newspaper.⁷⁷⁷ Some rural schools and villages are only accessible by a boat that goes past once every three months, or by walking long hours along dirt tracks, up rivers, and mountainsides.⁷⁷⁸ The FTA sees a direct correlation between a lack of infrastructure in rural schools and a lack of scholastic achievement.⁷⁷⁹ Without better facilities rural children are significantly disadvantaged, and cannot reach their potential.⁷⁸⁰ Parents are encouraged to send their children to urban centres which exacerbates an urban drift already putting strain on the basic services, and the economy as a whole.

7.1.2 Curriculum Issues

In Fiji, there remains the idea that academic courses are more important than anything else. The current system rewards academic learning and those that can “regurgitate information in tests.”⁷⁸¹ It seems that the curriculum is designed to prepare students to take good degree courses and then become teachers, lawyers, or

⁷⁷⁶ Ibid.

⁷⁷⁷ Fiji Times, "Rural Teachers," *Fiji Times*, May 26, 2009.

⁷⁷⁸ Ibid.

⁷⁷⁹ Fiji Teachers Association: Official, "Fiji Interview 2 - Education Sector Interview".

⁷⁸⁰ Ibid.

⁷⁸¹ International School Suva, "Fiji Interview 19 - Education Sector Interview".

doctors.⁷⁸² Such professions have always been considered ideal jobs and where the curriculum should be focussed. However, only a small proportion of students will ever have the abilities and desire to achieve those skills, leaving many who fail disenfranchised, rather than looking at the interests and skill sets they do have.⁷⁸³ If students do succeed in the system, there are few opportunities for tertiary education in Fiji. The University of the South Pacific is a renowned university, but is a private institution and expensive, eliminating all except those wealthy enough or bright enough to gain scholarships.⁷⁸⁴

When asking the question whether the material being disseminated to the students today is helping them make better decisions on how to prosper and be successful in a modern life,⁷⁸⁵ in too many cases the answer no. Therefore, the Fiji curriculum does not prepare children for the future, which demands adaptability, multiple talents, and skills.⁷⁸⁶ Fiji has created a surplus of people that are academic, and nobody for any other industry.⁷⁸⁷ What is more concerning is that if a Fijian student fails or is unsuited to academics, then they fall through the system with effectively no base education that will help prepare them for the future.⁷⁸⁸ A small number of students are dropping out of school without even basic skills, or competence in English to fill out job application forms.⁷⁸⁹ The curriculum needs to be changed to reflect the societal circumstances that exist in Fiji, as well as adapt to the specific

⁷⁸² Pam Nilan et al., "White Collar Work: Career Ambitions for Fiji Final Year Students," *International Education Journal* 7, no. 7 (2006).

⁷⁸³ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

⁷⁸⁴ International School Suva, "Fiji Interview 19 - Education Sector Interview".

⁷⁸⁵ Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview".

⁷⁸⁶ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁷⁸⁷ Ibid, Nilan et al., "White Collar Work: Career Ambitions for Fiji Final Year Students."

⁷⁸⁸ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁷⁸⁹ Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview".

local community needs around the school. For example, the material and the way things are taught in a rural area should be different to that in an urban area.⁷⁹⁰

There has been very little work done on the Fiji curriculum in recent years, and there needs to be a significant review because teaching methodologies and subject matters have changed.⁷⁹¹ The curriculum is also vital, because if you have a new or inexperienced teacher then they'll feel compelled to stick exactly to the laid out course content. It is only with quality and experienced teachers that may be able to improvise and improve the subject matter, who look upon the curriculum as a suggested guideline. They will teach the same things, but in a relevant and more interesting way.⁷⁹² In rural areas, the curriculum for primary classes becomes rather difficult to manage for the teacher, who often has four different age levels of children in the classroom all requiring different lesson plans.⁷⁹³ Mathematics is of particular concern to many school principals. In a survey done in 2006, more than 45% of all students stipulated maths as their least favourite subject, and was unanimously considered the least favourite subject in all schools sampled.⁷⁹⁴ Without maths, many practical and self employed career jobs become more difficult for students.⁷⁹⁵ The curriculum also needs to be developed to provide more in physical education, and basic life skills including nutrition information. Too many Fijian school children are either underweight and malnourished, or obese. Sporting contact that does occur is sporadic and organised at a school level, instead of a regional or national level.⁷⁹⁶

⁷⁹⁰ Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview".

⁷⁹¹ Ibid.

⁷⁹² Ibid.

⁷⁹³ Fiji Times, "Rural Teachers."

⁷⁹⁴ Nilan et al., "White Collar Work: Career Ambitions for Fiji Final Year Students."

⁷⁹⁵ Ibid.

⁷⁹⁶ Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview".

The positives of the present curriculum is the fact that all classes are taught in English, meaning that most Fijians are fluent in English as well as their native tongues, by Year 5 – age 9 to 10. Statistically, the literacy rate in Fiji is high, at 93%.⁷⁹⁷ This is a considerable asset that could be harnessed more in the Fijian economy. An ironical result of the current system is that while not meeting local needs, the excess of well qualified people in certain ‘white-collar’ jobs can go overseas, and the country can gain through remittances.⁷⁹⁸

7.1.3 Vocational Training Needs

One of the more severe criticisms of the Fiji education sector is the lack of vocational training options. As illustrated, the curriculum is geared primarily towards academic jobs but Fiji cannot absorb that many white-collar jobs and less than 10% of Fijians are capable or lucky enough to make it to university. Vocational training options need to happen both at the schooling level, and more investment needs to be put into the polytechnic opportunities in Fiji.⁷⁹⁹ Fiji has a strong need for specialist tourism industry training, managerial education, and a need to develop basic hand made industries in the outer islands as an alternative source of income.⁸⁰⁰ Unfortunately, the perception in Fiji is that getting a technical education, and a practical trade style job, is a ‘second grade career path.’ It is not a permitted option for many students by parents pressuring their children in a particular direction.⁸⁰¹ In a survey conducted in 2006, it was discovered that the career aspirations of over 2/3^{rds} of final year school students desired a narrow field of ‘white-collar’ jobs of accounting, teaching, civil service, nursing, medicine,

⁷⁹⁷ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

⁷⁹⁸ Delegation of the European Union for the Pacific, "Fiji Interview 17 - Governance Sector Interview", Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview". See ECONOMY Chapter

⁷⁹⁹ Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview", Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview".

⁸⁰⁰ Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview".

⁸⁰¹ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

engineering and law. This is in stark contrast to the labour force needs of Fiji.⁸⁰² Indeed teaching and nurse training institutions turn away thousands of applicants annually. The Lautoka Teachers College (LTC) had 6000 applicants in 2003 for less than 300 placements. Even university graduates with certain degrees can take up to 10 years to find full time employment.⁸⁰³ As such the aspirations of students at most schools are unrealistic in relation to the actual chance of success and market demands.⁸⁰⁴ Therefore, there is a large pool of people that need to be either self-employed, or acquire vocational skills.⁸⁰⁵

Changing the perception that trade jobs are both valued and required in society takes time. It will take initiative and resources to create infrastructure and systems that support the change. Some schools have already instigated their own vocational subjects.⁸⁰⁶ Several urban high schools now have fully equipped metalwork and woodwork classrooms.⁸⁰⁷ An all girls school in Lautoka just opened a home economics and cooking suite.⁸⁰⁸ However, this development is sporadic and without concerted government effort, in conjunction with aid partners, will remain at a level well below what is needed. The type of vocational skills being offered also needs to be examined to develop a holistic approach that caters for the needs of the community and longer term requirements of the Fijian economy.⁸⁰⁹

⁸⁰² Nilan et al., "White Collar Work: Career Ambitions for Fiji Final Year Students."

⁸⁰³ Ibid.

⁸⁰⁴ Ibid.

⁸⁰⁵ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

⁸⁰⁶ Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview".

⁸⁰⁷ Ibid.

⁸⁰⁸ Ibid.

⁸⁰⁹ Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview".

7.1.4 *IT in Schools*

Fiji needs to develop a knowledge economy, if it is to keep abreast of international developments.⁸¹⁰ However, it is much more difficult for a developing country like Fiji to invest the required resources for information technology. Some rural schools have so little infrastructure that they do not have power, or telephone connections, so IT technology is just a dream. It does mean however, that some students have never seen or touched a computer by the time they leave school.⁸¹¹ In urban areas there is more technology, but again disparities between schools are immense.⁸¹² It is suggested that investigation and planning occur to get this infrastructure in place in rural and isolated areas, which will enable children there to learn via correspondence. With power and satellite communications rural isolation will become a thing of the past. The technology could also be used for many community purposes, and will lessen the overall need for physical infrastructure and resources, and help equip children with comprehensive IT skills that are increasingly vital in today's society.⁸¹³

7.1.5 *Economic Issues*

Education has developed erratically in Fiji especially at the secondary school level. This means that the quality or standard of education varies greatly between one secondary school and another. Typically the rural secondary schools are the ones lagging well behind their urban counterparts.⁸¹⁴ The reason for this economic disparity is because of the traditional funding method done by the Ministry of Education, giving a per-capita grant meaning larger urban schools with three times the population receive three times the funding. Because of economies of scale, an

⁸¹⁰ Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview".

⁸¹¹ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁸¹² Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview". Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁸¹³ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁸¹⁴ Fiji Teachers Association: Official, "Fiji Interview 2 - Education Sector Interview".

urban school can pool excess resources to purchase new materials, books, and improve facilities with far greater ease than a rural school, which will barely be able to cover teachers salaries with their grant. Furthermore, in urban areas, the schools ask for donations or fees, are more likely to receive them and receive them because of the higher incomes of the parents.⁸¹⁵ The obvious solution to the above it to move from per capita funding to a decile based funding. But this is also problematic, because the larger urban schools despite all advantages are still in great need of modernisation and new textbooks, and their overall facilities still fall well short that expected in a developed country. Teacher's salaries in the Fijian public system are also very low. A qualified teacher with 10 to 15 years experience, and a head of department, would earn between F\$15,000 to F\$18,000 a year.⁸¹⁶ As the economy declines, as does funding the government is able to give to the education sector to provide the services needed, such as replacement text books, infrastructure, teacher salaries and teacher numbers.⁸¹⁷ Furthermore, education is free only until the second year of high school. When economic concerns become difficult, such as Fiji has experienced over the last 2 years, the drop out rate at age 14 increases dramatically. Unfortunately this leaves the student without any suitable qualifications in today's society.⁸¹⁸ A particularly concerning discovery is that when families are feeling financial strain, then it will be daughters that are forced to drop out of school before sons. There are no surveys showing how widespread the issue is since the 2006 coup, because the government will not invest in anything that will reflect badly on it.⁸¹⁹ This scenario was also happening before the coup. In 2003

⁸¹⁵ Ibid.

⁸¹⁶ International School Suva, "Fiji Interview 19 - Education Sector Interview".

⁸¹⁷ Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview".

⁸¹⁸ Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview".

⁸¹⁹ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

and 2004, the number of males reaching final year schooling in Fiji was more than double that of females.⁸²⁰

7.1.6 Societal Pressures - School segregation

Schools in Fiji are labelled as Fijian or Indian schools and ethnic segregation appears inbuilt into the system at a structural level. At a pupil level the segregation is not there, with Fijian and Indian schools accepting children of the other ethnicity and ironically, many Indian labelled schools are predominantly Fijian populated. This is due to a perception that Indian schools are more academic, professional, worldly, and less community based.⁸²¹ At the annual Fiji Teacher's Association meeting in May 2009, it was stated by the head of the Methodist Church Rev. Waqairatu, that all Fijians need to have a "historical and contemporary understanding of themselves which will make them live better... in a multi-racial, multi-religious, multi-political party interest society."⁸²²

7.2 EU Influence / Actions – FESP

7.2.1 What is the FESP?

The Fiji Education Sector Programme (FESP) has its origins in discussions for the allocation of funding of the 9th EDF. It was decided that the area of intervention the GoF would like the EU focus on was rural education.⁸²³ Fiji has a reasonably intelligent workforce and there are plenty of opportunities to invest in human resources, which is one of the major reasons why the EU was keen on investing in the education sector. In September 2004 the financing agreement for the FESP was signed, and the F\$44 Million Project commenced. The vision as stipulated by the FESP is to have a "multi-ethnic and multi-cultural society where all communities

⁸²⁰ Nilan et al., "White Collar Work: Career Ambitions for Fiji Final Year Students."

⁸²¹ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁸²² Fiji Times, "Education's a 'Worthy' Investment," *Fiji Times*, May 6, 2009.

⁸²³ Fiji Education Sector Program, "The 300 Schools List," ed. FESP & Ministry of Education (Suva: FESP, 2006).

have equitable access to opportunities and share equally the benefit of development.”⁸²⁴ 300 of the least developed rural Fijian schools are benefiting or will benefit from new infrastructure projects, including classrooms, hostels, ablution blocks, solar power, and other facilities.⁸²⁵ As well as providing infrastructure to neglected rural schools, the FESP hopes to reduce the flow of students from rural to urban areas,⁸²⁶ where they put additional strains on the system. Additionally, surveys show these students are unhappy and often are the first to drop-out.⁸²⁷ The FESPs objectives are to ensure equity of access and participation for all Fijian students, provision of appropriate teaching resources, and providing incentives for teachers to take appointments in rural areas, including quality housing for them.⁸²⁸ The FESP is a joint program being run by the Ministry of Education and the European Union, and is the largest donation directed towards education since Fiji gained independence. With F\$44 Million to be given over 5 years it will make a massive impact upon the quality of infrastructure of rural schools in Fiji. Furthermore, the FESP is working in conjunction with donor partners in Australia and New Zealand who will focus on other aspect of the education system to make a significant holistic impact upon the education sector that will last for decades into the future.⁸²⁹

1) Improved infrastructure and upgraded school facilities	Classrooms, libraries, dormitories, teachers quarters, kitchens, dining rooms, water supply & sanitation, and occasionally electricity.	F\$21 Million
2) Capacity Building and Enabling environment	Particular attention to teacher training and experience in rural areas.	F\$1.6 Million
3) Adequate Quality and Quantity	Support for teaching resources	F\$8.6 Million

⁸²⁴ Ibid.

⁸²⁵ Fiji Daily Post, "Cash Boost - 20 June 2009," *Fiji Daily Post*, 20 June, 2009.

⁸²⁶ Fiji Education Sector Program, "The 300 Schools List."

⁸²⁷ Ibid.

⁸²⁸ Ibid.

⁸²⁹ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

of resources and materials	including books, computers, and laboratory equipment.	
4) Effective and efficient processes and mechanisms	Co-ordination between the Ministry, NGOs, and other international donors, to help strengthen and implement MoE policies.	F\$1.6 Million
5) Community Building, with educational partnerships	Non-formal, vocational and civic education and community awareness programmes. Areas targeted include: Carpentry, farming, micro-enterprise development, learning conversational Fijian & Hindustani.	F\$6.6 Million

Figure 31: Budgets and Goals of the FESP.⁸³⁰

7.2.2 *How FESP funding was allocated*

The Fijian education system is still largely segregated, and the rural population of Fiji is dominated by ethnic-Fijians. Although F\$21 Million that was to be allocated to schools was a significant and generous amount, it was not enough to target all but the most needy of rural schools. Therefore, it was necessary to create an empirical and impartial way to rank all the schools in Fiji on criteria of neediness with extra weighting given to the schools isolation. This ranking was called the Schools Infrastructure Disadvantage Indices (SIDI), and was used in conjunction with the MoEs own School Information Management System (SIMS).⁸³¹ Qualitative analysis happened as well through questionnaires and workshops in all educational districts. Through this comprehensive grading and analysis system, identification of 300 most needy schools were targeted without bias or prejudice. Unfortunately because of the demography of Fiji, more ethnic Fijian schools were targeted than Indian, but list was endorsed by the MoE. “The conceptualisation and development

⁸³⁰ Fiji Education Sector Program, "The 300 Schools List."

⁸³¹ Ibid.

of the 300 Schools List has been objective, transparent, and a judicious mix of quantitative and qualitative approaches.’⁸³²

7.2.3 *Response of the Sector to the FESP*

One Commentator in the education Sector was full of praise of the EU Education Sector Program, saying that they made a lot of inroads into improving the education and fostering cooperation between government departments.⁸³³ It is clear that the EU was simply targeting those schools with the worst infrastructure. In doing so it was trying to create a more uniform standard of primary education and satisfy that particular Millennium Development Goal.⁸³⁴ One interviewee is cautiously optimistic about the FESP, agreeing that Fiji does need good infrastructure especially in rural areas, but believes that more should be done to help train the teacher, not only for a qualification, but also to provide in service education, so they can keep abreast of modern techniques and changes.⁸³⁵ With better facilities in the rural areas, there would be less need for the migration of students into the urban areas. It will remain a challenge though, to encourage quality teachers to take permanent positions in the rural areas.⁸³⁶ The Government acknowledges this and has organised a media campaign to encourage more teachers into rural schools.

The Fiji Education Sector Programme was not without its critics. It was viewed by some parties as an unwittingly racial move by the European Union. Allegations were made of ethnic discrimination manipulated in favour of indigenous Fijians, by an ethno-nationalist government. The fact is that rural areas are composed of 80% indigenous Fijians, when the overall population of indigenous Fijians is only

⁸³² Ibid.

⁸³³ Fiji Teachers Association: Official, "Fiji Interview 2 - Education Sector Interview".

⁸³⁴ Ibid.

⁸³⁵ Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview".

⁸³⁶ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

55%.⁸³⁷ One member of the FTA believes that this programme was one of the main catalysts for the 2006 coup.⁸³⁸ Another issue raised about the education sector programme is that it seems to have such a large focus on infrastructure concerns, and that it tends to ignore the people that it is designated to help.⁸³⁹ It is conceded though that Fiji is still a developing country and so infrastructure aid remains crucial.⁸⁴⁰ However, the type of infrastructure being provided could be re-examined. A classroom is just building, and can be used for classes only when there is a teacher and physical resources for that teacher and students. If the money being used to build the classroom was instead allocated to giving students a computer, a generator for powering the computers, and a satellite dish link up to the outside world, then the need for a formal classroom disappears, as does the need to fund a teacher to be on site on a remote island. The students can have tutorials and lessons via correspondence, saving ongoing costs. Furthermore academic materials and information remains both comprehensive and up to date by harnessing the power of the internet.⁸⁴¹ A lot of development funding is being channelled in a direction that will not necessarily provide the maximum impact for the rural children.⁸⁴²

7.2.4 Other FESP Programs

A lesser-known aspect of the FESP is the funding the EU directed towards school management. The EU ran a series of workshops and seminars for school administrators, and created a booklet titled “Handbook for School Managers,” summarising essential aspects of running a school.⁸⁴³ Such programmes were well received by the teacher’s unions, and helped provide a significant lift in capacity

⁸³⁷ Fiji Teachers Association: Official, "Fiji Interview 2 - Education Sector Interview".

⁸³⁸ Ibid.

⁸³⁹ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁸⁴⁰ Ibid.

⁸⁴¹ Ibid.

⁸⁴² Ibid.

⁸⁴³ Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview".

and expertise of school administrators.⁸⁴⁴ Another programme the FESP ran through the FFNSA were programs for primary school teachers, teaching those intermediate year 7 and year 8 classes.⁸⁴⁵ The programmes were designed to ensure they get the best out of specific subject areas, and although the program ended years ago, there was a significance transference of knowledge and capacity so there are locals in Fiji still continuing the program today.⁸⁴⁶

In January 2009, there were significant floods in Fiji, damaging many schools. In response the EU gave just over F\$2 million dollars to help with the rehabilitation of 41 schools in affected areas identified as needing immediate support.⁸⁴⁷ This money will be allocated through the FESP in conjunction with UNICEF and is additional to the larger FESP infrastructure budgets.⁸⁴⁸ The EU then allocated the FESP an additional F\$715,000 to help repair water and sanitation in flood affected areas. Fifty new water tanks were installed in schools and health centres, and repair work of mains pipe fittings occurred in 28 villages.⁸⁴⁹ In June 2009, the EU opened up a 'Library Information Point' at the Suva City Carnegie Library, to allow greater access to information and transparency about the European Union and its involvement in the Pacific for all members of the general public.⁸⁵⁰

7.2.5 Lautoka Teachers College (EDF8)

As part of the EU 8th EDF, F\$8 million was allocated to upgrading and developing the infrastructure of the Lautoka Teachers College (LTC). The LTC is the main

⁸⁴⁴ Ibid.

⁸⁴⁵ Ibid.

⁸⁴⁶ Ibid.

⁸⁴⁷ Debbie Singh, "European Union Pledges over F\$2m to Support Flood Affected Schools," ed. Press Releases (Suva: Delegation of the European Union for the Pacific, 2009).

⁸⁴⁸ Ibid. Rova, "Eu Supports Unicef with €250,000 for Fiji Flood Rehabilitation."

⁸⁴⁹ Fiji Broadcasting Corporation, "Flood Affected 'Assisted'," (2009), <http://www.radiofiji.com.fj/print.php?id=19386>, ———, "Sugar Proceeds to Increase."

⁸⁵⁰ Naviri, "New Info Point."

primary school tertiary unit in Fiji offering 2 year diplomas in primary school education and graduates about 180 students each year.⁸⁵¹ The college also graduates about 25 early childhood students.⁸⁵² The EU did the LTC upgrade in conjunction with AusAID and built several new buildings including a new library, lecture theatre, and hostels for the students to live in.⁸⁵³

The lecture theatre has modified and made more efficient the teaching techniques at the college. Before, it was split into 6 sections, with a tutor taking a class and repeating the same lesson 6 times. Now, the College can run a more standardised international university system, with lectures followed by tutorials for subjects.⁸⁵⁴ With these new teaching techniques the LTC qualification has been upgraded from a nationally recognised certificate to an internationally recognised diploma⁸⁵⁵ accredited to that standard by renowned people from Australia and the Pacific.⁸⁵⁶ The new library at the LTC helped it launch itself into the 21st century with a state of the art computer suite, and has meant that computers at the college can be networked. With the help of Korean volunteers, a computer network and computerising of the library catalogue is underway.⁸⁵⁷

There are still areas for improvement, as the network operates at slow speeds due to the phone connections to the LTC, and internet to the outside world is still operating at dialup speeds. There are broadband capabilities along the Queens Road from Nadi to Lautoka to help service the tourism industry. It is a matter of securing funds to lay additional cable along the access road to the college from the Queens

⁸⁵¹ Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview".

⁸⁵² Ibid.

⁸⁵³ Ibid.

⁸⁵⁴ Ibid.

⁸⁵⁵ For example recognised by Victoria University, Wellington, UWA, Australia and many other Australian institutions.

⁸⁵⁶ Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview".

⁸⁵⁷ Ibid.

Road.⁸⁵⁸ Nevertheless, in comparison to before the EU-AusAID project, the LTC gives a far better quality education, and this will have a flow-on effect to the schooling system in Fiji as new student teachers graduate and are placed in primary schools.⁸⁵⁹

An LTC spokesman was very happy about how the EU and AusAID engaged with the staff in what was a very consultative process.⁸⁶⁰ He concedes that there were at times disagreements such as to the location of the Library, which the EU wanted to place centrally on a ceremonial space called the Radah Playground. Eventually the staff consented to EU desires seeing the benefit of the library being placed with such easy access to the students and visitors alike.⁸⁶¹ The LTC is also interested in utilising its new resources and expanding beyond its core role of training teachers. This will mean moving into the more lucrative markets of teaching English to Japanese students, for which there is a significant and growing market in Fiji. It is also interested in offering vocational IT courses to up skill present teachers in the field, and to people working in other industries that increasingly need to work with computers but have little understanding of IT technology.⁸⁶² To date the Ministry of Education has rejected such proposals, being concerned that it will detract from the Colleges main services and objectives.⁸⁶³

7.2.1 P.R.I.D.E Project & N.I.C.E. Programme

The PRIDE project, (Pacific Regional Initiatives for the Delivery of Basic Education) is a programme funded through the EDF in conjunction with NZAID. Its purpose is to enhance capacity of basic education programmes in all Pacific

⁸⁵⁸ Ibid.

⁸⁵⁹ Ibid.

⁸⁶⁰ Ibid.

⁸⁶¹ Ibid.

⁸⁶² Ibid.

⁸⁶³ Ibid.

Island Forum States, including Fiji, providing the “foundations for vocation callings, higher education, and lifelong learning.”⁸⁶⁴ One of the core aspects of PRIDE is a education resource centre called PADDLE, that helps provides material for students, teachers, and policy makers, by digitising educations strategic plans, core legislation, curriculum frameworks, and school policies.⁸⁶⁵ The PRIDE project is a good example of how the EU works regionally as well as nationally, and with other ODA partners.

The NICE Programme (National Initiative on Civic Education) is a Project that is run by the UNDP with funding form the EU and NZAID. Its overall goal is to empower communities to participate and contribute to policy development in their area.⁸⁶⁶ This is done through teaching community leadership and negotiation skills, and enhancing representation capabilities.⁸⁶⁷ A recent workshop focussed on strategies to help minimise damage caused when floods occur like that of January 2009.

7.2.2 *EU involvement summary*

Official opinion from the FTA states that the EU involvement in the rural area has been both impartial and excellent in terms of delivery. Education is a very broad sector that needs well functioning parts to deliver quality teaching. Infrastructure, classrooms, teachers quarters, power generators, toilet blocks are all needed and much appreciated. Making an impact in an area like infrastructure, the curriculum, or vocational options, will assist with Fiji’s ability to provide a better education system overall.⁸⁶⁸ A report in 2009 gave the FESP a resoundingly positive review

⁸⁶⁴ USP Institute of Education, "Brief History of the Pride Project,"(2009), <http://www.usp.ac.fj/index.php?id=publications0>.

⁸⁶⁵ PRIDE, "Paddle: Pacific Archive of Digital Data for Learning and Educaiton,"(2009), <http://www.paddle.usp.ac.fj/>.

⁸⁶⁶ Fiji Daily Post, "Leaders Committed to Tackle Community Development," *Fiji Daily Post*, 16 June, 2009.

⁸⁶⁷ Ibid.

⁸⁶⁸ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

starting that “the programme has facilitated tremendously the efforts of government in trying to bring about greater equity to access and opportunities in education between the rural and urban areas.”⁸⁶⁹ The MoE is very grateful for the EU’s assistance in this area, stating that it has boosted student & teacher morale creating a revival in commitment in these schools which in turn and boosts the level of scholastic achievement.⁸⁷⁰ In 2007, the Michael Graf attaché to the European Delegation for the Pacific stipulated that the EU wants to build on the success of the FESP in the next 5 year funding cycle which officially started in 2008, but is presently delayed.⁸⁷¹ The challenge for the MoE and the EU is to now look beyond primary education and focus on the technical and vocational sectors needed by young people to find meaningful employment.⁸⁷² To do this the EU will continue to work in conjunction with other aid donors involved in education, especially Australia and New Zealand.

7.3 Response of the Sector

7.3.1 Campaign to get More Rural Teachers

The Fiji times has published no less than 5 articles in mid 2009, pushing and promoting rural education in an effort to encourage more teachers into rural positions.⁸⁷³ Such full-hearted promotion is propaganda in nature with the articles reading as advertisements instead of news.⁸⁷⁴ One article emphasised how rural teachers in particular must be recognised for the integral part they play in the

⁸⁶⁹ Fiji Daily Post, "Cash Boost - 20 June 2009.", Transparency International, "Fiji Interview 3 - Ngo Sector Interview".

⁸⁷⁰ Fiji Daily Post, "Cash Boost - 20 June 2009."

⁸⁷¹ Fiji Times, "\$44m Grant for Education," *Fiji Times*, 2 May 2007.

⁸⁷² Ibid.

⁸⁷³ ———, "Teachers Key for Better Future: Barr.", ———, "Education's a 'Worthy' Investment.", ———, "Rural Teachers.", ———, "A Slice of Heaven," *Fiji Times*, 2 July, 2009, Theresa Ralogaivau, "Life on an Island," *Fiji Times*, 1 July, 2009 2009.

⁸⁷⁴ See in Particular: Ralogaivau, "Life on an Island."

development of a society, usually under the most trying of circumstances.⁸⁷⁵ “Rural teachers more so than their urban counterparts act as opportunity enablers without whom many of Fiji’s most successful leaders in both the public and private spheres would not have ventured outside their villages.”⁸⁷⁶ Another feature article advertised the stress free, relaxing lifestyle of the rural teacher as opposed to the urban one.⁸⁷⁷ It was also suggested that there be compulsory minimal posting requirements to rural areas so that all teachers serve at least one 3 year stint, and give special allowances for those willing “to make the sacrifice”.⁸⁷⁸ This would have multiple benefits; it would ensure that all rural postings are filled and could potentially improve the quality and calibre of rural teachers. It will also expose students to a variety of role models and teaching styles. Finally, it could help improve understanding of the trying conditions that rural teachers face in urban communities. Another feature article showed how some rural schools have diversified their curriculum to better prepare students for other more practical occupations for a rural island village.⁸⁷⁹ There is a special arts and crafts subject that includes, building traditional raffia skirts, weaving of mats and the building traditional canoes, and bures. Such promotion of vocational pursuits marks a significant step away from a traditional academia based schooling system, and although a clearly a loaded article, may help remove the stigma attached to vocational pursuits.⁸⁸⁰ This series of articles shows how the present regime is really pushing the media to achieve their desired purposes. It also shows those aims are idealistic and in line with developmental needs of the sector.

⁸⁷⁵ Fiji Times, "Rural Teachers."

⁸⁷⁶ Ibid.

⁸⁷⁷ ———, "A Slice of Heaven."

⁸⁷⁸ ———, "Rural Teachers."

⁸⁷⁹ Ralogaivau, "Life on an Island."

⁸⁸⁰ Ibid.

7.3.2 *Teaching of Hindi & Fijian as a 'second' language.*

A recent innovation of the current regime is to implement compulsory teaching of Fijian and Hindi as a second language in all Fijian schools.⁸⁸¹ There are 2 basic components of this program, learning conversational Hindi and Fijian, and basic cultural studies of Fijian and Hindi cultures. Part of this project will be to visit, or assist a family of that ethnicity through projects further enhancing cultural understanding.⁸⁸² The initiative is not aimed at replacing English, but more to act as an enabler in communities to understand the cultural identities of the two main ethnicities in Fiji. It is something that many previous governments have attempted to implement and was met with fierce traditional Fijian resistance concerned about loosing Fijian identity and being consumed by the Indo-Fijian and western cultures.⁸⁸³

Overwhelmingly, the initiative has been greeted by the educational community as a positive move and the right direction for the country to go.⁸⁸⁴ The FTU noted that it will only be effective though, with a solid curriculum. Otherwise, the initiative will result in an ad hoc learning with little long term benefits.⁸⁸⁵ The new programme of teaching was approved by the MoE in November 2007 and began in Term 2, 2008 at Year 5 level in primary schools.⁸⁸⁶ Breaking language barriers between the two main cultures helps people learn to appreciate unique aspects of the other's culture, and understand a different way of living. Once a person learns to understand the other persons culture, then the potential damage caused by ethnic tensions is

⁸⁸¹ Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview".

⁸⁸² Ministry of Education, "Education Gazette," (Suva: Ministry of Education, 2008).

⁸⁸³ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

⁸⁸⁴ Fiji Association of Social Workers, "Fiji Interview 11 - Ngo Sector Interview", Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview", Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview", Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview". Fiji Times, "Education's a 'Worthy' Investment."

⁸⁸⁵ Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview".

⁸⁸⁶ Fiji Live, "Fijian, Hindi Classes for All Fiji Schools," *Fiji Live*, (2007), www.fijilive.com.

lessened.⁸⁸⁷ The LTC suggests that it should be seen as an attempt to understand one another better and not cultural assimilation. As such, it is certainly a positive move that will act as a long term strategy for a peaceful multi-ethnic cultural living in Fiji.⁸⁸⁸

7.4 Future Developmental Aid Focus

It is clear that despite the positive strides made in the education sector, it will need to remain a central focus for developmental aid programs for some time into the future.⁸⁸⁹ Continued concerted efforts on expanding and modernising the curriculum need to occur to allow provision of new, relevant, and engaging texts. There also needs to be much more focus on agriculture training, woodwork, metalwork, home economics, mechanics and other practical vocational subjects that will provide lifelong skills.⁸⁹⁰ A stronger focus on IT will also be of immense benefit of Fiji, but it will be difficult to get the expertise there to set up and maintain networks, and the capital expenditure needed for constant upgrading will be an ongoing concern.⁸⁹¹ A possible upgrading of the Fiji College of Advanced Education (FCAE),⁸⁹² in line with the previous upgrade to the LTC could prove very helpful in providing higher calibre Secondary School teachers in Fiji.⁸⁹³

⁸⁸⁷ Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview".

⁸⁸⁸ Lautoka Teachers College, "Fiji Interview 34 - Education Sector Interview", Ministry of Education, "Education Gazette."

⁸⁸⁹ Fiji Teachers Association: Member, "Fiji Interview 12 - Education Sector Interview".

⁸⁹⁰ Ibid.

⁸⁹¹ Ibid.

⁸⁹² For more information about the FCAE go to:

<http://studentweb.usq.edu.au/home/w0060748/fcae/htmls/About%20FCAE.htm>

⁸⁹³ Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview".

7.5 Conclusion

“Education is the foundation of human relationships.”⁸⁹⁴ The education sector, despite issues, is a vibrant sector of Fijian society and quite forward looking.⁸⁹⁵ In comparison to most Pacific Island countries and other developing countries around the world, Fiji is performing well in this sector. However, there are hindrances and complexities relating to a declining economy and a delicate political situation.⁸⁹⁶ It is very aware of its own practical shortcomings, and is doing its best in conjunction with international aid partners to rectify that. It looks set to achieve the MDGs for basic education, and provide salient lessons and subject choices that will be needed in the 21st century workplace. The Fijian people have immense enthusiasm and passion.⁸⁹⁷ With a coordinated policy focus from the GoF, and will power to make education the priority in Fiji, it could rapidly become equal to any western education system.⁸⁹⁸ The Fijian people do need to adapt to the ever-changing dynamics of modern society, and a flexible education that promotes a sense of self worth, self esteem, initiative and capability over academics is essential.⁸⁹⁹ If Fiji has educated people and an educated society, then other problems become more manageable.⁹⁰⁰ Without education, especially civic education, it will be very difficult to change the political climate in Fiji.

The European Union involvement in the sector has been of immense benefit and is applauded almost universally by all Fijians involved in education. It proves that the EU EDF programmes are targeted well and provides a physical and psychological

⁸⁹⁴ Fiji Times, "Education's a 'Worthy' Investment."

⁸⁹⁵ Fiji Teachers Association: Board, "Fiji Interview 23 - Education Sector Interview".

⁸⁹⁶ Ibid.

⁸⁹⁷ International School Suva, "Fiji Interview 19 - Education Sector Interview".

⁸⁹⁸ Ibid.

⁸⁹⁹ Ibid.

⁹⁰⁰ Fiji Teachers Union, "Fiji Interview 28 - Education Sector Interview". Fiji Times, "Education's a 'Worthy' Investment."

boost to many schools. The quest for continued diversification and innovation continues in Fiji. In summary then, the education sector is relatively strong and provides optimism and encouragement for the future of Fiji.

8 Conclusion – Coherency of EU Policy

8.1 Situation in Fiji

Fiji has been on a ‘rollercoaster ride’ since 1987 with a series of coups, increasing economic, social problems, that run contrary to its location as a regional hub and comparatively high GDP. The December 2006 coup by Frank Bainimarama, is the latest twist to a political situation that remains very fragile. At present it appears that Fiji is moving away rather than towards democracy. There are two essential political questions that need to be asked. Firstly, whether Frank Bainimarama’s intentions are honourable and what he’s trying to do necessary and good for Fiji. The comments on electoral reforms, changes to the education system, efforts to reform the sugar sector, attempts to encourage international investment, and the removal of race based politics, all suggest a preliminary answer of yes. The interim regime is trying to make positive and needed changes. The second question is whether the short term cost to Fiji is worth the price, economically, politically, and socially. Resoundingly, this thesis demonstrates that the answer must be no. Regardless of how good the regimes ideas and intentions are, the way Frank Bainimarama has pursued such objectives means poverty in Fiji is increasing with no end in sight, the sugar industry which was on the verge of collapse pessimists would say is now inevitable, and tourism and investment dollars have plummeted. Commodore Bainimarama is a career soldier to the detriment of everything else. This causes him to view any hindrance to his vision as an enemy that needs to be suppressed, thus censoring the media, alienating the church, chiefs, and every foreign aid partner. Moreover, his key reasons for the coup, that of reducing corruption, enabling electoral reforms, a revision of the constitution are, despite his best intentions making little progress. In the meantime many thousands of ordinary

Fijians are paying the price by a reduced standard of living, and an uncertain short term future. Even though the analysis shows Bainimarama's ideas are both sound and desperately needed, they will not be accepted by Fijians in the long term because of how they were forced upon them.⁹⁰¹ It is a sad and desperate situation with no quick fix solution.

8.2 EU Development Policy in Action

EU's relations with the developing world is a "complex mosaic of frameworks."⁹⁰² Ensuring that the different elements of EU development policy are consistent and don't provide conflicts of interest is a considerable task.⁹⁰³ The European Union involvement in Fiji shows this complex mosaic in operation. This thesis has examined four sectors of Fijian society and shows that its response to each sector is different and subsequent opinions about the EU's influence by Fijians differ. In the economic sector, there is caution and concern about the EPA, mainly because many Fijians are concerned about trade liberalisation in general. In the governance sector, the EU has employed its rigid Cotonou Agreement structures and Article 96 negotiations. This has created a predictable, soft, and engaging approach to governmental issues that is generally welcomed by Fijians. It is hoped that the EU does more along these lines and that other ODA partners follow the EU's lead. However, the tying of democratic development to funding for the EU Sugar Adaptation Strategies is a crippling blow to the sugar sector, who feel that the EU has targeted one of the weakest aspects of Fijian economy to create maximum pain. In the education sector we see the EU's EDF programmes in action. Here, the response by Fijians has been very positive, and there is a feeling that the EU has made a marked change to peoples lives.

⁹⁰¹ Murphy, "Coup Leader Keeps Iron Grip on Fiji."

⁹⁰² Holland, *The European Union and the Third World*.

⁹⁰³ Ibid.

Consequently the EU is both hero and villain, the generous understanding partner, and a suspicious bureaucratic heavy handed monster. Such a response is confusing and shows the EU's external relations are not as integrated and cohesive as the EU intends. The EU can be considered a multi headed hydra with certain branches working in conflict with others. When relating the EU's actions and responses with normative actor theory, we see that the EU is determined to project its normative principles onto its developmental partners. Prioritising governance over the sugar sector can be viewed in line with these projections of value based power. Even in the EPAs, normative actor theory functions providing a policy that both normative and in line with present trade liberalisation demands.

8.2.1 General Hopes for aid targets by Fijians into the Future

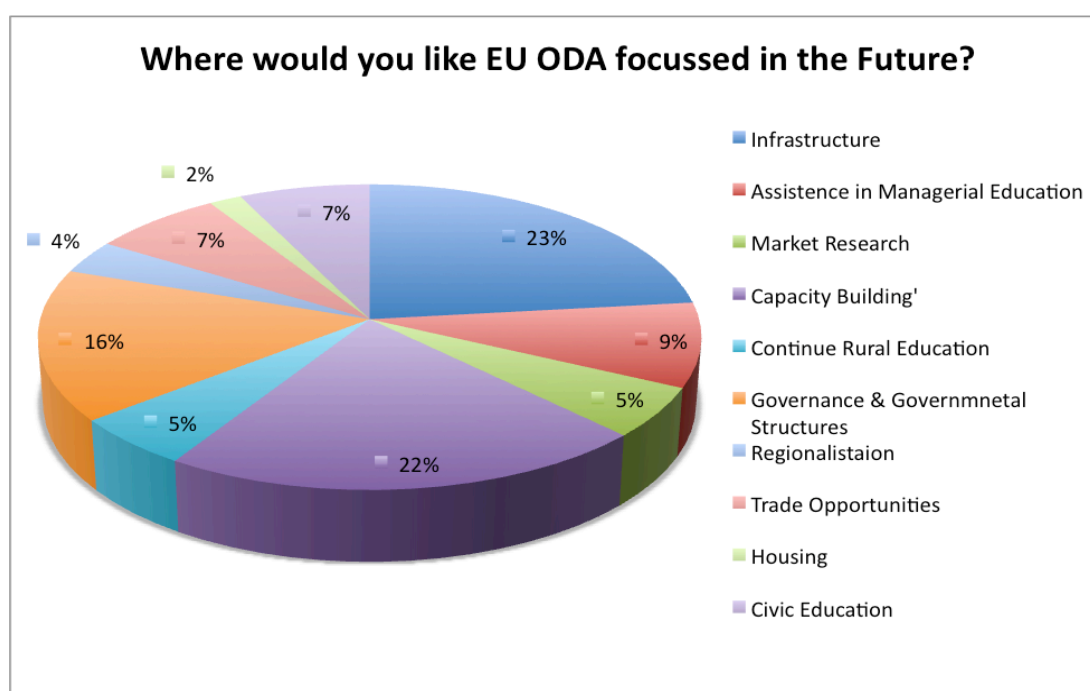
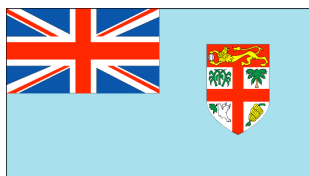


Figure 32: Ideas and ambitions for EU ODA in the next funding round (Indicative Opinion)

There were many ideas as to where EU aid could be prioritised into the future by Fijian experts. Generally though, most expressed a resolve that the EU continue the work it is doing with infrastructure, capacity building, rural education, and governance. Overall then, this is a positive indictment of EU operations in Fiji. The

EU commitment to Fiji is still very strong, and it will remain engaged despite the political upheavals. The unsolved political and constitutional issues in Fiji are a compelling reason to remain involved in Fiji, to help create positive outcomes for a solution in the near future. The EU development programme in Fiji will continue to provide beneficial results in targeted areas. The decision as to which area future EDFs will focus on will be decided in conjunction with the Fijian government, and not unilaterally.⁹⁰⁴ Consultations and full awareness of both donor and recipient needs will enhance implementation of effective aid in the various areas. Harnessing the EU's strengths could prove to be crucial to future developmental success in Fiji.

⁹⁰⁴ USP Governance School, "Fiji Interview 8 - Governance Sector Interview".

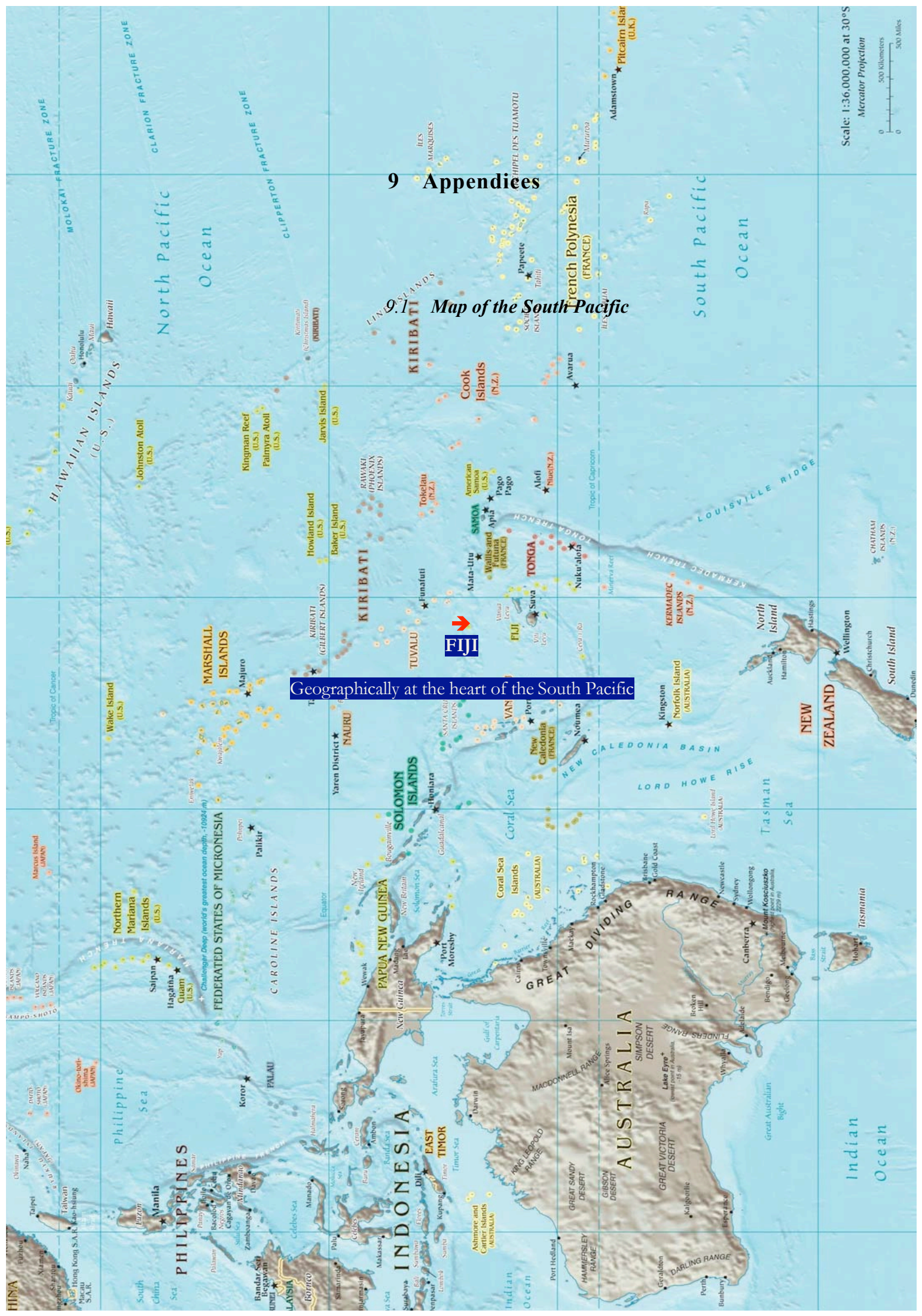


DAVID M J LYTTLE

2009

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9 Appendices

9.1 Map of the South Pacific



Geographically at the heart of the South Pacific

9.2 Interview Information

9.2.1 List of Interviews

LIST OF INTERVIEWS Conducted During Fiji Research Trip June & July 2008

Interview N:	Sector	Organisation	Date	Length	Location
Interview 1:	Tourism	Ministry of Tourism	17 June	21:50	Suva
Interview 2:	Education	Fiji Teachers Association n1	18 June	38:08	Suva
Interview 3:	NGO	Transparency International	18 June	50:15	Suva
Interview 4:	Governance	USP Political Science Dept	19 June	20:23	Suva
Interview 5:	NGO	National Council for Women	19 June	23:18	Suva
Interview 6:	NGO	Fiji Methodist Church	20 June	19:46	Suva
Interview 7:	Governance	Howards Law Firm	20 June	35:20	Suva
Interview 8:	Governance	USP Governance School	23 June	21:26	Suva
Interview 9:	Education	Fiji Education Sector Programme	23 June	N/A *	Suva
Interview 10:	Economy	Fiji Employers Federation	24 June	43:24	Suva
Interview 11:	NGO	Fiji Association of Social Workers	24 June	22:23	Suva
Interview 12:	Education	Fiji Teachers Association n2	24 June	42:46	Suva
Interview 13:	NGO	ECREA	24 June	48:06	Suva
Interview 14:	Governance	USP Development Programme	25 June	1:14:11	Suva
Interview 15:	NGO	Good Neighbour International	25 June	56:26	Suva
Interview 16:	Economy	Mark 1 Apparel	25 June	24:06	Suva
Interview 17:	Governance	EU Delegation for the Pacific	26 June	1:09:16	Suva
Interview 18:	Economy	Consumer Council of Fiji	26 June	38:19	Suva
Interview 19:	Education	International School Suva	26 June	33:47	Suva
Interview 20:	Governance	Electoral Commission Fiji	26 June	58:03	Suva

Interview 21:	NGO	FASANOC	27 June	21:13	Suva
Interview 22:	Education	Fiji Teachers Association n3	27 June	39:17	Suva
Interview 23:	Health	Nutritional Research Department	27 June	32:55	Suva
Interview 24:	Governance	Pacific Island Forum Secretariat	27 June	46:36	Suva
Interview 25:	Governance	FICAP	1 July	40:27	Suva
Interview 26:	NGO	Fiji Women's Rights Movement	1 July	50:35	Suva
Interview 27:	NGO	Citizens Constitutional Forum	1 July	16:30	Suva
Interview 28:	Education	Fiji Teachers Union	1 July	21:16	Suva
Interview 29:	Sugar	Fiji Sugar Marketing Company	2 July	33:59	Lautoka
Interview 30:	Sugar	Fiji Sugar Research Institute	2 July	49:15	Lautoka
Interview 31:	Governance	Leader of Opposition	2 July	21:38	Lautoka
Interview 32:	Tourism	Air Pacific Headquarters	3 July	44:33	Nadi
Interview 33:	Tourism	Tokatoka Resort	3 July	24:23	Nadi
Interview 34:	Education	Lautoka Teachers College	4 July	43:40	Lautoka
Interview 35:	Tourism	Blue Lagoon Cruises	4 July	33:45	Lautoka
Interview 36:	Tourism	Nadi Bay Resort Hotel	5 July	N/A *	Nadi

N.B. 1) Interviews 9 and 36 occurred but the people declined to be recorded, and are not present in the statistical analyses, nor used for anything other than background research.

N.B. 2) The organisation label shows whom the interviewee is affiliated with and / or where the interview took place. Due to UOC Human Ethics Committee requirements the specific people remain anonymous. Thus for the purposes of this thesis, these organisational labels are used when citing the interviews even though the interviewee is speaking as an individual and largely voicing personal opinions and not that of the organisation.

9.2.2 *Demography of Interviewees*

GENDER

	Number	%
Male	26	65
Female	14	35
Total	40	100

ETHNICITY

	Number	%
Ethnic-Fijian	19	47.5
Indo-Fijian	8	20
Ex-Pat	10	25
International	3	7.5
Total	40	100

NB: More Males than Females were interviewed is representative of the patriarchal society in Fiji where less females hold positions of influence.

NB: There is a massive over representation of ex-pats and international people in the interviews which illustrates both the international nature of the Thesis question, and the lack of suitably qualified people in certain fields.

9.2.3 *Raw Data Results of Interview Questions*

Question 1:	International Aid: Good or Bad?	TOTAL	%
A1:	Cause Political Sanctions = Bad	6	10
A2:	Civic Education Programs = Good	8	13.33
A3:	Fly by Night' Investors = Bad	9	15
A4:	Humanitarian Aid = Good	9	15
A5:	Trade Liberalisation = Bad	8	13.33
A6:	Sugar Protocol Reforms = Bad	2	3.33
A7:	Capacity Building = Good	4	6.67
A8:	Regionalisation = Good	2	3.33
A9:	Failure to Understand Fiji = Bad	6	10
A10:	Aid Conditionalities = Bad	4	6.67
A11:	Exert Undue Pressure = Bad	2	3.33
	Totals:	60	99.99
Question 2:	Should (EU) Aid be tied to a type of Govt.	TOTAL	%

A1:	Yes: Principles and Values are Crucial	9	28.11
A2:	Yes: EU has every right to place conditions	13	40.63
A3:	No: Aid for economic, human rights reasons,	4	12.5
A4:	No: Physiological concerns should have Primacy.	3	9.38
A4:	No: Imposing 'foreign' values	3	9.38
	Totals:	32	100

Question 3:	Awareness of EU Involvement in Fiji.	TOTAL	%
A1:	Yes	23	65.71
A2:	No	1	2.86
A3:	Only from the Papers	11	31.43
A4:	Unanswered	0	0
	Totals:	35	100

Question 4:	Where IS the EU proving most Helpful?		
	Labour Mobility: Upskilling Staff, Management		
A1:	Programmes	3	7.89
A2:	Education & FESP	12	31.58
A3:	Sugar Protocols	4	10.53
A5:	Governance and Democracy	2	5.26
A8:	Way it engages with locals.	3	7.89
A4:	It's Not: EPA BAD	3	7.89
A5:	It's not: EU Motives Suspect	2	5.26
A12:	It's Not: Too Bureaucratic	1	2.63
A9:	Unsure, Don't Know	8	21.05
	Totals:	38	99.98

Question 5:	Fiji's Greatest Assets.	TOTAL	%
A1:	People (Human Resources)	24	53.33
A2:	Education	3	6.67
A3:	Geography	9	20
A4:	Ethnic Diversity	2	4.44
A5:	Physical Resources	2	4.44
A6:	Tourism	2	4.44
A7:	Land	1	2.22
A8:	Christian Values	2	4.44
	Totals:	45	99.98

Question 6:	Fiji's Greatest Challenges.	TOTAL	%
A1:	Education System	4	6.45
A2:	Political Situation, Instability - Coup	12	19.35
A3:	Investor Confidence	7	11.29
A4:	Business Sector	1	1.61
A5:	Electoral System	5	8.06
A6:	Lack of Opportunities (Employment)	3	4.84
A7:	Lack of Direction / Leadership /Initiative	13	20.97
A8:	People - Tensions	3	4.84
A9:	Native Land Issues	2	3.23

A10:	Poverty	3	4.84
A11:	Cultural Mindset of People	3	4.84
A12:	Constitutional	1	1.61
A13:	Efficiency	2	3.23
A14:	Lack of Respect for Democracy & Responsibility	2	3.23
A15:	Malnutrition	1	1.61
	Totals:	62	100

Question 7:	Why is there a cycle of coups?		
A1:	Influence / Ill Discipline of military	11	30.56
A2:	Ethnic Discrimination	4	11.11
A3:	Ethnic Fijian Nationalists	6	16.67
A4:	Personal Interests	3	8.33
A5:	Constitutional Problems	7	19.44
A6:	Lack of Leadership	4	11.11
A7:	Its not a Problem	1	2.78
	Totals:	36	100

Question 8:	How do you break cycle of coups?	TOTAL	%
A1:	Must come from within (Organic)	14	41.18
A2:	Remove Westminster form of Govt	4	11.76
A3:	Reduce Power of Military	8	23.53
A4:	Remove Ethnic based systems	2	5.88
A5:	Its not an issue	1	2.94
A6:	Civic Education	5	14.71
	Totals:	34	100

Question 9:	Does Trust in a Democratic System Exist in Fiji?	TOTAL	%
A1:	Yes, Might Take a while	14	42.42
A2:	Yes, Always there with traditional system	3	9.09
A3:	Yes, Stronger with coup than before	10	30.3
A4:	No, Evaporating	3	9.09
A4:	Unsure - Unanswered	3	9.09
	Totals:	33	99.99

Question 10:	Ethnic Tensions: Real or False?	TOTAL	%
A3:	False: Crated by Politicians	22	64.71
A1:	False: Emphatic	1	2.94
A2:	Real: Certain Circumstances	4	11.76
A4:	Real: Exploited by Politicians	7	20.59
	Totals:	34	100

Question 11:	Are you concerned about use of the Fijian military as peacekeepers by the UN?	TOTAL	%
A4:	Yes, hypocritical of UN - Not Fiji	5	25
A1:	Yes, hypocritical conduct by military.	11	55
A2:	No, permits a better military	3	15

A4:	No, Generates income for Fiji	1	5
	Totals:	20	100
Question 12:	Why did the 2006 Coup Occur?	TOTAL	%
A1:	Ethnically Orientated Education Funding	1	3.33
A2:	Personal Vendetta	3	10
A3:	Former Govt Corruption	4	13.33
A4:	Political Demography: Ethnic Split	2	6.67
A5:	Influence of Military	14	46.67
A6:	(Preventing) Influence of Nationalists	2	6.67
A7:	Prevent possible civil war	1	3.33
A8:	Address Wrongs of 2000 Coup	2	6.67
A9:	Influence of Media	1	3.33
	Totals:	30	100
Question 13:	Do you Support the Regime? Implicit.	TOTAL	%
A1:	Yes (Ethnic Fijian)	2	5.56
A2:	Yes (Indo Fijian)	4	11.11
A3:	Yes (Ex-Pat)	3	8.33
A4:	No (Ethnic Fijian)	16	44.44
A5:	No (Indo-Fijian)	3	8.33
A6:	No (Ex-Pat)	4	11.11
A7:	Unsure / Unanswered	4	11.11
	Totals:	36	99.99
Question 14:	International Sanctions: Good or Bad?	TOTAL	%
A1:	Bad: Hit those not responsible for coup	9	30
A2:	Good: Questions what values, Fiji Should have.	6	20
A3:	Bad: hypocritical endangers human rights	1	3.33
A4:	Good: Democracy FUNDEMENTAL	4	13.33
A5:	Bad: Physiological Concerns Dire	6	20
A6:	Bad: Imposing Values not necessarily compatible	4	13.33
	Totals:	30	99.99
Question 15:	Fiji a Democratic (& Positive) Future?	TOTAL	%
A1:	Yes: Definitely - Very Likely	7	20.59
A2:	Yes: Hopefully - Likely	17	50
A3:	Unsure: Would like	7	20.59
A4:	No: Doubt - Unlikely	3	8.82
A5:	No: Emphatic - Very Unlikely	0	0
	Totals:	34	100
Question 16:	Greatest Need: Education Sector	TOTAL	%
A1:	Curriculum	6	30
A2:	Infrastructure	1	5
A3:	Teachers Salaries	3	15
A4:	Equality in the System	1	5
A6:	Better Management	2	10

A7:	Vocational Pursuits	2	10
A8:	IT	1	5
A9:	Civic Education - Democratic Principles	4	20
	Totals:	20	100

Question 17: Where should the EU Focus ODA in the Future?		TOTAL	%
A1:	Infrastructure	13	23.21
A2:	Assistance in Managerial Education	5	8.93
A3:	Market Research	3	5.36
A4:	Capacity Building'	12	21.43
A5:	Continue Rural Education	3	5.36
A6:	Governance & Governmental Structures	9	16.07
A7:	Regionalisation	2	3.57
A8:	Trade Opportunities	4	7.14
A9:	Housing	1	1.79
A10:	Civic Education	4	7.14
	Totals:	56	100

NOTE: Due to the Semi-structured nature of the interviews, some questions were unanswered, by certain interviewees. Some interviewees listed multiple answers for certain questions and all answers were recorded with equal weighting. The goal of the interviews was to gather expert opinions first, and indicative analyses. The data is not a representative statistical sample.

9.3 Article 96 of the Cotonou Agreement

ARTICLE 96

Essential elements: consultation procedure and appropriate measures as regards human rights, democratic principles and the rule of law

1. Within the meaning of this Article, the term "Party" refers to the Community and the Member States of the European Union, of the one part, and each ACP State, of the other part.

2.(a) If, despite the political dialogue conducted regularly between the Parties, a Party considers that the other Party has failed to fulfil an obligation stemming from respect for human rights, democratic principles and the rule of law referred to in paragraph 2 of Article 9, it shall, except in cases of special urgency, supply the other Party and the Council of Ministers with the relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties. To this end, it shall invite the other Party to hold consultations that focus on the measures taken or to be taken by the party concerned to remedy the situation.

The consultations shall be conducted at the level and in the form considered most appropriate or finding a solution.

The consultations shall begin no later than 15 days after the invitation and shall continue for a period established by mutual agreement, depending on the nature and gravity of the violation. In any case, the consultations shall last no longer than 60 days.

If the consultations do not lead to a solution acceptable to both Parties, if consultation is

refused, or in cases of special urgency, appropriate measures may be taken. These measures shall be revoked as soon as the reasons for taking them have disappeared.

(b) The term "cases of special urgency" shall refer to exceptional cases of particularly serious and flagrant violation of one of the essential elements referred to in paragraph 2 of Article 9, that require an immediate reaction. The Party resorting to the special urgency procedure shall inform the other Party and the Council of Ministers separately of the fact unless it does not have time to do so.

(c) The "appropriate measures" referred to in this Article are measures taken in accordance with international law, and proportional to the violation. In the selection of these measures, priority must be given to those which least disrupt the

application of this agreement. It is understood that suspension would be a measure of last resort.

If measures are taken in cases of special urgency, they shall be immediately notified to the other Party and the Council of Ministers. At the request of the Party concerned, consultations may then be called in order to examine the situation thoroughly and, if possible, find solutions. These consultations shall be conducted according to the arrangements set out in the second and third subparagraphs of paragraph (a).⁹⁰⁵

⁹⁰⁵ European Commission, "Cotonou Agreement."

9.4 Photos: EU Upgrade of the Lautoka Teachers College



Figure 33: Photo Collage of new buildings constructed at the Lautoka Teachers College implemented through The EU 8th. Top Row, The new Library. Middle Row, the new lecture theatre, bottom row, existing classroom block and promotional sign.

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